

OKLAHOMA WATER RESOURCES BOARD

OFFICIAL MINUTES

August 10, 2010

1. Call to Order

The regular monthly meeting of the Oklahoma Water Resources Board was called to order by Chairman Rudy Herrmann at 9:30 a.m., on August 10, 2010, 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. The agenda was posted on August 3, 2010, at 5:00 p.m. at the Oklahoma Water Resources Board's offices.

A. Invocation

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

B. Roll Call

Board Members Present

Rudy Herrmann, Chairman
Mark Nichols, Vice Chairman
Linda Lambert, Secretary
Ford Drummond
Marilyn Feaver
Ed Fite
Kenneth Knowles
Richard Sevenoaks
Joe Taron

Board Members Absent

None

Staff Members Present

J.D. Strong, Interim Executive Director
Dean Couch, General Counsel
Joe Freeman, Chief, Financial Assistance Division
Julie Cunningham, Chief, Planning and Management Division
Derek Smithee, Chief, Water Quality Programs Division
Anissa Maher, Office of the General Counsel
Kyle Arthur, Director of Planning
Josh McClintock, Director of Government and Public Affairs

Others Present

Dave Taylor, Waurika Master Conservancy District, Waurika, OK
Erin Boekman, eCapitol, Oklahoma City, OK
Amy Ford, Oklahomans for Responsible Water Policy/Citizens for Protection of Arbuckle-Simpson Aquifer, Durant, OK
Jeri Fleming, Oklahoma Water Resources Research Institute, Stillwater, OK
Gary Utter, Rogers county Rural Water District No. 6, Adair, OK
Randy Brock, City of Shawnee, OK
Jim Bierd, City of Shawnee, OK
Diane Pedicord, Oklahoma Municipal League, Oklahoma City, OK
Meredith Morgan, Public Finance Law Group, Oklahoma City, OK
Nate Ellis, Public Finance Law Group, Oklahoma City, OK
Candy Staring, Oklahoma Department of Environmental Quality, Oklahoma City, OK
Rebecca Poole, Oklahoma Department of Environmental Quality, Oklahoma City, OK
Vicki Reed, Oklahoma Department of Environmental Quality, Oklahoma City, OK
Greg Carr, Oklahoma Department of Environmental Quality, Oklahoma City, OK
Jeanne Norman, Town of Langley, OK
Robert Dordenne, Rogers County Rural Water District No. 6, Inola, OK
Joe Kight, Rogers County Rural Water District No. 6, Inola, OK
Brian McDougal, City of Shawnee, OK
Chris Gander, BOSCO, Oklahoma City, OK
Shelby Hudgens, Unimin, Roff, OK
Charlie Swinton, BancFirst, Oklahoma City, OK
Ryan Chaffin, Attorney General's Office, Oklahoma City, OK
Jim Bartmess, Chandler, OK

C. APPROVAL OF MINUTES

Chairman Herrmann stated the draft minutes of the July meeting had been distributed and he asked if there were any amendments to draft minutes. Mr. Nichols moved to approve the minutes of the July 13, 2010 Regular meeting as distributed, and Dr. Taron seconded.

AYE: Lambert, Feaver, Knowles, Taron, Nichols, Sevenoaks
NAY: None
ABSTAIN: Drummond, Fite, Herrmann
ABSENT: None

D. EXECUTIVE DIRECTOR'S REPORT

Chairman Herrmann, prior to asking Mr. Strong to make his report, updated the members on the process for succession of the Executive Director position. He said that the job description had been posted at state agencies, the Western States Water Council and a variety of organizations, and applications will be accepted through August 31, 2010. Seven applications have been received; he expected two internal applications. Chairman Herrmann stated he had interviewed six members of staff, three Division Chiefs and three other key management team members, asking their perspective on the key issues facing the OWRB in the next five years, and

what characteristic do they believe is important for the next leader of the OWRB to possess. He will compile the information and the subcommittee (Mr. Herrmann, Mr. Nichols and Ms. Lambert) will develop a scoring sheet format to use as a first cut, and then decide from there how to proceed. He noted there is no way to reimburse applicants for travel expenses. Mr. Fite asked if there were seven applications total, and Chairman Herrmann answered seven applications received to date; he said he had not looked at the applications prior to interviewing staff; those applications have been distributed to the subcommittee.

Mr. Sevenoaks asked if there would be a weighting for inside candidates and what the process is. Chairman Herrmann answered that had not been discussed, and it was his sense that the subcommittee would narrow the candidates to three or four, if there are that many, and then interview with the Board. Mr. Drummond asked about timing, and Chairman Herrmann answered as long as it takes to get the job done properly; he wanted to conduct a thorough process but not be longer than necessary. He said the OWRB staff had stepped up their game to keep things under control, and Mr. Strong had done a super job as Interim Executive Director, so there is no crisis. The Board expressed a desire to have a decision expeditiously as possible, and possibly by October and the Water Conference.

Chairman Herrmann distributed a memorandum to the Board members regarding ad hoc committee assignments for the 2010-2011 year. He said that Ms. Feaver had agreed to replace Mr. Keeley on the committees he served.

Chairman Herrmann also noted the Town Hall Report had been mailed, and Ms. Fleming will address that report later in the agenda.

There were no other comments by the Chairman or Board members.

Mr. J.D. Strong, Interim Executive Director, addressed the members and said the Chairman brought the members up to date regarding the Executive Director succession process, the Town Hall report, and the committee assignments for the next year. Ms. Lambert suggested the Board send a letter of acknowledgement for their appreciation of the work on the Town Hall and report. Mr. Strong asked Mr. McClintock to update the members on legislative matters and community visits by OWRB staff.

Mr. Josh McClintock, Director of Government and Public Relations, stated to the members that the only real activity at the state level regards interim studies, noting Rep. Faught's request for a study on the administrative rules process, Rep. Steele's request about the potential savings and efficiencies for certain agencies that could be consolidated, and Rep. McCullough's request in regard to a bill (last session) that would put all state attorneys under the Attorney General's office. Mr. McClintock said the Western States Water Council conducted its summer meeting in Nevada, and he provided the members with the most recent newsletter that highlighted the meeting. He had attended the meeting, and he said the Council expressed its desire that Oklahoma would continue to be active after the departure of Duane Smith. Regarding Congressional activity, he said that the House had marked up all its appropriation bills and the Senate has marked up nine; but, he did not anticipate any completion of the bills until after the elections, but most likely a continuing resolution to fund agencies at the current level until they can get the bills done. The House Energy and Water Development bill, shows a cut for all agencies, although in the House bill there is \$47,000 for the Garber-Wellington study (Bureau of

Reclamation request) and in the Senate bill, there are four items: \$500,000 for the water plan (COE Planning Assistance to the States), \$325,000 for the South East Water Study, \$325,000 for the Washita River Study, and the \$47,000 for the Garber-Wellington Study. There is a movement to get the leadership to reduce funding levels so there may yet be some impact. There were not as many projects included this year because the House Republicans had a one-year moratorium on requests; Senator Inhofe's name was attached to the projects named. Lastly, he noted the House has marked up a Water Resources Development Act, but he said there aren't as many projects, but he would be keeping an eye on that bill.

Mr. McClintock said the OWRB began community outreach visits as a result of the dam safety program, where there is an increased interest in education and developing community relationships. The OWRB staff used the opportunity to expand the visits and include a broad overview of the OWRB, and to educate the communities on our programs and services. Mr. Bob Fabian, as the agency's dam safety coordinator, has coordinated the recent visits to Guthrie and Pawnee, and is working to refine the process for several small communities. He said staff preferred that the public know the OWRB not through news articles about lawsuits, but that the public see the agency as more service-oriented. And finally, he distributed a draft itinerary of the Governor's Water Conference, October 26-27. Since stepping in following Mike Melton's retirement, he said he has come to appreciate the enormous amount of work by staff to put the conference together, and he noted that the conference format this year is changed. The Water Research Symposium will be held concurrently, and there will be a plenary session for all participants each day, and the afternoons will have panels hosted by the various Cabinet Secretaries and also different groups that will host their own meetings as well; the second day will also be for water law continuing education seminars. He highlighted some of the higher-profile speakers that have confirmed their participation, and said the OWRB website has a link to view the agendas as it is updated.

Mr. Strong continued his report commenting about Rep. Faught's interim study. He said it has always been the case that agencies promulgate rules and the Governor approves, and the Legislature has the opportunity to disapprove. He said that Rep. Faught is looking at changing the system whereby only one chamber can disapprove.

Mr. Strong said regarding the community visits, the initial focus was on FEMA projects through the Dam Safety Program where bathymetric mapping of the flood control structure has taken place. Ten communities have been targeted for that program, and two have been conducted. Staff is "piggybacking" on the opportunity to also inform and visit with communities about financial assistance, water quality monitoring, and water rights administration, as well as other agency responsibilities.

Mr. Strong mentioned he had attended the Western Governors' Association Wildlife Council in Juneau, Alaska (paid by the WGA). The State received a \$200,000 grant from the Department of Energy to assist with the Lesser Prairie Chicken protection efforts and work more cooperatively with surrounding states in similar efforts.

Mr. Strong mentioned several meetings: the Kansas-Oklahoma Arkansas River Compact Commission met July 28 in Arkansas City, KS; an uneventful yet productive meeting. He said that it has become clear in the past months that folks are ready to move forward on the Arbuckle-Simpson issue and proceed with the study. He said he had agreed to meet with local ranchers, August 23, and the aggregate industry and others are interested in meetings as well. He will be participating in the opening ceremony for the EPA Osage Nation Watershed Forum in the Tulsa

DoubleTree at Warren Place; Kyle Arthur and Derek Smithee have been assisting in developing the program for the forum. On August 25, Mr. Strong and Ms. Marilyn Feaver, along with staff, will be meeting with Senator Ron Justice and constituents, along with the Oklahoma Farm Bureau to visit with some of the landowners about fee increase proposal issues raised regarding the fee and other groundwater rights administration program issues.

Lastly, Mr. Strong concluded his report and added that in regard to an update on Sardis Lake, the Governor and Tribes continue to have discussions, dialogue with the Corps of Engineers continues regarding approval of the transfer, and there is a permit application pending by Oklahoma City from 2007, along with other applicants, but that is not moving forward, as Oklahoma City has been agreed to let it sit while discussions are ongoing.

2. FINANCIAL ASSISTANCE DIVISION

A. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Adair Municipal Authority, Mayes County. Recommended for Approval. Mr. Joe Freeman, Chief, Financial Assistance Division, stated to the members that consideration of this item should be pulled from the agenda as several items arose last week that need to be worked out.

B. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Shawnee Municipal Authority, Pottawatomie County. Recommended for Approval. Mr. Freeman said this item is a \$1,677,000.00 loan request by the Shawnee Municipal Authority. Shawnee has requested the loans for three 250 HP high service pumps and three 250 HP variable frequency drives, for line work, replacing grating, roofing, patching and painting the clear well; and, installing a new HVAC, valves, pump feeders, cabling and other related equipment. He said the loan will be funded through the Drinking Water SRF loan program, and he noted provisions of the loan agreement. Over the last ten years, Shawnee's water connections have increased about 6% and its sewer connections about 8%. Shawnee has been a borrower of the Board's for several years, and currently has three outstanding loans with the Board. The debt-coverage ratio stands at a healthy 2.3-times. Staff recommended approval.

Representing Shawnee was Mayor Brian McDougal, Mr. Jim Bierd, Utilities Director, Mr. Randy Brock, Operations Manager; and Mr. Chris Gander, Financial Advisor.

Mr. Drummond moved to approve the DWSRF loan to the Shawnee Municipal Authority, and Ms. Feaver seconded.

Mr. Sevenoaks asked if these loans are for capital projects or can maintenance be added. Mr. Freeman answered usually the loans are for capital improvements, but maintenance is an approved project.

AYE: Lambert, Feaver, Knowles, Fite, Taron, Nichols, Drummond, Sevenoaks, Herrmann
NAY: None
ABSTAIN: None
ABSENT: None

C. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Rural Water District No. 6, Rogers County. Recommended for Approval. Mr. Freeman said this item is for the consideration of a \$3,000,000.00 loan request by Rural Water District No. 6 in Rogers County. He said the District has requested the loan to construct about 15 miles of water line to connect the Oklahoma Ordnance Works Authority for treated water. He said the loan would be funded through the Drinking Water SRF program, and he noted provisions of the loan agreement. He said the district's water connections have increased over 20% the past ten years, and the debt-coverage ratio stands at 1.43 times. Staff recommended approval.

Chairman Joe Kight, Mr. Robert Dordenne, District Manager, and Gary Utter, Engineer were present in support of the loan application.

Mr. Drummond asked about the debt coverage ratio. Mr. Freeman said the Board's limit is 1.25-times. Usually, from Rural Water Districts the ratio will be lower than a city's; most cities have a comfortable debt coverage ratio because a city can transfer funds from the utilities operations over to help run the city and the Board's lien is prior to any transfer. He said 1.43-times is fairly standard for a rural water district. Mr. Drummond asked Mr. Kight if he was comfortable with the city's financial situation and he said that he is; Mr. Freeman added it would actually improve.

Ms. Feaver moved to approve the DWSRF loan to the Rogers County Rural Water District No. 6, and Mr. Nichols seconded.

AYE: Lambert, Feaver, Knowles, Fite, Taron, Nichols, Drummond, Sevenoaks, Herrmann

NAY: None

ABSTAIN: None

ABSENT: None

Mr. Sevenoaks asked where the district is located, and Mr. Dordenne said it is from Claremore to Inola; seventy square miles in the northwest corner. He said there are 675 customers. Mr. Sevenoaks asked if they competed with Inola, and he answered no because Inola is limited to growth due to its boundaries. The District's boundaries are clear; there is no overlap.

D. Consideration of and Possible Action on 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 Member to Act as Assistant Secretary. Recommended for Approval. Mr. Freeman stated this resolution authorizes certain individual to sign and act on behalf of the Board regarding the Board's financial assistance program and state revolving fund loan program. The resolution also names each Board member, except the Chairman, as Assistant Secretary in the absence of the Secretary. He said the resolution is provided to the Board's Trustee and the State Treasurer's office to know the Board's composition and to have signatures on file. The resolution is the same as those approved in past years, with the exception of the addition of Mrs. Feaver. Staff recommended approval.

Mr. Nichols moved to approve the resolution, and Mr. Drummond seconded.

AYE: Lambert, Feaver, Knowles, Fite, Taron, Nichols, Drummond, Sevenoaks,
Herrmann
NAY: None
ABSTAIN: None
ABSENT: None

E. Resolution Authorizing the Issuance of Oklahoma Water Resources Board State Loan Program Revenue Bonds, Series 2010B in Aggregate Principal Amount Not to Exceed \$30,000,000; Approving and Authorizing Execution of an Eighteenth 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 explained that this item authorizes the bond issue to fund the Waurika Lake Master Conservancy District Loan which the Board approved at the July meeting. He read the agenda item naming the items that will be approved by the resolution. Staff recommended approval.

Mr. Chris Cochran, underwriter on the transaction, and Mr. Don Kiser, underwriter's bond counsel, and Mr. Charlie Swinton and Deanna Suthard of BancFirst, were present in support of the resolution.

Chairman Herrmann asked what loans would be funded with the bond issue, and Mr. Freeman said only the Waurika Lake loan. He added the State Bond Oversight Council unanimously approved the bond issue at its July 27, 2010 meeting. Chairman Herrmann said the Board was not able to consider the resolution at its July meeting due to a lack of a super majority.

Mr. Nichols moved to approve the resolution authorizing issuance of OWRB state loan program revenue bonds, and Ms. Lambert seconded.

AYE: Lambert, Feaver, Knowles, Fite, Taron, Nichols, Drummond, Sevenoaks,
Herrmann
NAY: None
ABSTAIN: None
ABSENT: None

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.

Chairman Herrmann asked that the Supplemental Agenda items be approved along with the Summary Disposition Agenda. He explained that Supplemental items are routine items that are not available at the posting of the regular agenda. He asked if there were any questions about any items, or any items that needed to be separated out from the agenda.

Ms. Lambert asked about item 3.D.6., and Mr. Strong asked that item be removed from the agenda to be fully prepared for a future Board meeting. Ms. Julie Cunningham asked the Board to withdraw item 3.M.1., dam and reservoir application #OK30374.

Mr. Nichols noted the Supplemental items, and Chairman Herrmann asked if there were any questions on the Supplemental items, or any items that anyone would like a separate vote on. He allowed a few moments for members to review the Supplemental Agenda items for questions or transfer to the Special Consideration Agenda.

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

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.

Chairman Herrmann noted at the July meeting and also on this agenda a number of stream water cancellations and reductions, and he asked if that were part of the ongoing effort. Ms. Cunningham stated these are the last of the Arkansas basin. They were provided a hearing, and are the "no shows." Chairman Herrmann asked if the forfeiture program is complete, or is staff moving onto another basin. Ms. Cunningham replied that staff now is looking at reduction for those permit holders that have reported use, but not full use, and staff is assessing those. She noted that under item 3.J., there is one reduction this month.

Mr. Drummond asked about the Dolese Brothers application on the Supplemental Agenda. He asked whether the groundwater was from actual groundwater or the pit. Ms. Cunningham answered the use is for mining; Mr. Bob Sandbo said the City of Oklahoma City protested the application but that was worked out.

Mr. Fite asked if the forfeitures had been contacted, or did not respond. Ms. Cunningham answered those were provided an opportunity for hearing but did not show.

There being no further questions or discussion regarding items on the Summary Disposition Agenda, or the Supplemental Agenda items, Chairman Herrmann asked for a motion to approve the Summary Disposition agenda as adjusted, and the Supplemental Agenda.

Mr. Drummond moved to approve the Summary Disposition Agenda as amended, and the Supplemental Agenda items, and Mr. Nichols seconded.

AYE: Lambert, Feaver, Knowles, Fite, Taron, Nichols, Drummond, Sevenoaks, Herrmann
NAY: None
ABSTAIN: None
ABSENT: None

The following items were approved:

C. Financial Assistance Division Items:

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

| <u>Item No.</u> | <u>Application No.</u> | <u>Entity Name</u> | <u>County</u> | <u>Amount Recommended</u> |
|-----------------|------------------------|--|---------------|---------------------------|
| GGEDA | | | | |
| a. | FAP-09-0016-R | Langley Public Works Authority | Mayes | \$100,000.00 |
| b. | FAP-09-0032-R | South Coffeyville Public Works Authority | Nowata | 99,990.00 |
| INCOG | | | | |
| c. | FAP-08-0023-R | Kellyville Public Works Authority | Creek | extension of time |
| NODA | | | | |
| d. | FAP-08-0007-R | Town of Marland | Noble | amended scope |
| SWODA | | | | |
| e. | FAP-09-0005-R | Carter Utilities Authority | Beckham | amended scope |

D. Consideration of and Possible Action on Contracts and Agreements, Recommended for Approval:

1. Memorandum Agreement with Oklahoma Department of Wildlife Conservation and USGS for water monitoring and data collection.
2. Memorandum Agreement with City of Norman and USGS for water monitoring and data collection.
3. Intergovernmental Agreement between the Oklahoma Water Resources Board and The Board of Regents of the University of Oklahoma by and through University Outreach/College of Continuing Education's Forum & Conference Services for Hosting FY2011 Floodplain Management Course and Workshops
4. Memorandum of Agreement between The Board of Regents for the Oklahoma Agricultural and Mechanical Colleges and the Oklahoma Water Resources Board Concerning Development Permits And Floodplain Management on State Owned or Operated Property.
5. Professional Services Contract between James D. Leewright and Oklahoma Water Resources Board for Drafting Services Related to the Update of the Oklahoma Comprehensive Water Plan and Other Analysis and Mapping Services
6. *Third Amended Professional Services Contract with Lindsay Robertson to provide services as part of the update to the Oklahoma Comprehensive Water Plan. Item withdrawn*

E. Applications for Temporary Permits to Use Groundwater:

1. Dover Sand Plant, L.L.C., Kingfisher County, #2009-550
2. Titus & Grace Stutzman, Custer County, #2010-530
3. Norma Gutsell, Kerry Zimmerman & Kimberly Graves, Major County, #2010-532

- F. Applications to Amend Temporary Permits to Use Groundwater:
1. Barbara F. Kenney, Cimarron County, #1978-724B
- G. Applications for Regular Permits to Use Groundwater:
1. Janet K. Dalton, Beaver County, #2010-504
 2. Darrell & Ann Herber, Ellis County, #2010-528
 3. John E. & Wilma Airington, Woodward County, #2010-529
- H. Applications for Term Permits to Use Stream Water:
1. TransCanada Keystone Pipeline, L.P., Noble and Kay Counties, #2009-028
 2. TransCanada Keystone Pipeline, L.P., Noble and Payne Counties, #2010-003
 3. Charlotte Knutson, Milton D. Knutson & Nancy Roark, Jefferson County, #2010-009
- I. Applications for Regular Permits to Use Stream Water:
- None
- J. Reductions of Stream Water Rights:
1. Nellie Clark, Cimarron County, #1934-058
- K. Forfeitures of Stream Water Rights:
1. Barney Brown, Jr., Okfuskee County, #1974-128
 2. Walter Duncan, Jr., Seminole County, #1974-220
 3. Dale Weathers, Payne County, #1975-003
 4. Howard Brown, Pottawatomie County, #1976-026
 5. Sequoyah Trust of Cherokee County, Cherokee County, #1977-013
 6. John Burnett, Cimarron County, #1978-158
 7. Robert Morgan, Pottawatomie County, #1979-002
 8. Don & Forrest Mertz, Kay County, #1979-082
 9. Mr. & Mrs. Bruton Bennett, Washington County, #1980-017
 10. Suzanne Nicholson, Lincoln County, #1980-195
 11. Suzanne Nicholson, Lincoln County, #1980-196
 12. Harold Crouch and Don Nicholson, II, Lincoln County, #1980-194
 13. Tom Beck, Logan County, #1981-115
 14. Tom Beck, Logan County, #1981-116
 15. Beeby Family Trust, Logan County, #1981-186
 16. Larry Swan, Rogers County, #1982-059
 17. R. W. Carney, Caddo County, #1982-104
 18. Mr. & Mrs. D. L. Seffel, Lincoln County, #1982-121
 19. Ethel Meyers, Garfield County, #1983-004
 20. North Foreman Lake Association, Canadian County, #1983-020
 21. Cravens Ranch, Inc., Blaine County, #1983-062
 22. Lee King, Seminole County, #1984-001
 23. Barby Revocable Trust "B"/Brad Barby, Beaver County, #1984-026
 24. Mr. & Mrs. Bob Cannon, Roger Mills County, #1984-027
 25. John Booth, Harper County, #1985-017
 26. Bill Anderson, Delaware County, #1985-038
 27. Freddie Schneider, Payne County, #1986-036
 28. Kelly Wahl, Major County, #1987-003
 29. Willow View Hospital, Oklahoma County, #1987-013

- 30. El Reno Recreational Trust Authority, Canadian County, #1987-046
- 31. Richard Ely, Osage County, #1989-042
- 32. Arthur Bohlmann, Canadian County, #1989-048

L. Well Driller and Pump Installer Licensing:

1. New Licenses, Accompanying Operator Certificates and Activities:

- a. Licensee: The Charles Machine Shop DPC-0808
 - 1. Operator: Larry Kindschi OP-1787
 - Activities: Heat exchange wells
- b. Licensee: Mark J. Traut Wells, Inc. DPC-0810
 - 1. Operator: Daryl G. Karasch OP-1789
 - Activities: Monitoring wells and geotechnical borings
- c. Licensee: Steven B. Bryan DPC-0812
 - Operator: Steven B. Bryan OP-1790
 - Activities: Groundwater wells, observation wells and test holes
 - Monitoring wells and geotechnical borings
 - Pump installation
 - Heat exchange wells
- d. Licensee: Fanning Waterwell Service DPC-0814
 - Operator: Robert L. Fanning OP-1791
 - Activities: Groundwater wells, observation wells and test holes
 - Pump installation

2. New Operators and/or Activities for Existing Licenses:

- a. Licensee: Midwest Engineering and Testing Corporation DPC-0653
 - 1. Operator: Wendell Houston OP-1788
 - Activities: Monitoring wells and geotechnical borings

M. Dam and Reservoir Construction:

- 1. *Alfalfa County Conservation District, Alfalfa County, #OK30374 Item withdrawn*

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

- 1. McCurtain County Rural Water District No. 6, McCurtain County, #FP-10-10
- 2. Northeastern Oklahoma A & M College, Ottawa County, #FP-10-11
- 3. University of Oklahoma Facilities Management, Cleveland County, #FP-10-12

O. Applications for Accreditation of Floodplain Administrators:

None

7. CONSIDERATION OF SUPPLEMENTAL AGENDA ITEMS, IF ANY

A. Contracts and Agreements Recommended for Approval.

- 1. Interagency Agreement with Grand River Dam Authority for Pulse Testing for Pensacola Dam/Neosho River Dissolved Oxygen Mitigation Plan.
- 2. Interagency Agreement with Grand River Dam Authority for Spillage Testing for Kerr Dam/Neosho River Dissolved Oxygen Mitigation Plan.

- B. Application for Temporary Permit to Use Groundwater
 - 1. Dolese Bros. Co., Oklahoma County, #2006-543

- C. Dam and Reservoir Construction.
 - 1. Gavilon Pipeline and Storage, L.L.C., Lincoln County, #OK30359

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

A. Update Report on Oklahoma Comprehensive Water Plan Activities. Mr. Kyle Arthur, Director of Planning, began his report with an update on the public participation process of the OCWP. He said the Town Hall was held in May, and the OWRRI is taking that information and developing recommendations and he invited Ms. Jeri Fleming with OWRRI to address the members about the status of that part of the process and what the schedule is. He reminded the members about the number of public meetings that have been held. He said the Town Hall has been critical, and he shared he was struck by how the participants have learned about water use and water management and the difficulties that are inherent in that. He said he believed that everyone felt they have been a part of the process, and at the end of the day that is a very important element of the process, which would have likely failed if that had not happened. He said there is camaraderie that had developed amongst the participants which was recognition of the work they had done. He said next week staff will hold a management retreat and key items of discussion are a strong finish with the Water Plan, the outreach meetings and how do we conduct those, and how to do we contemplate the next steps.

Chairman Herrmann stated that with all the public participation processes, the expectation is that something big will happen once this is finished, and he hoped that it will exceed, and not just meet, what is anticipated. He asked that at a future report staff provide a timeline of the last 12 months, what will the deliverable look like, and a financial update.

Ms. Fleming stated she wanted to inform the members about what will be happening the next few months. She said the Town Hall report and recommendations are being reviewed and that information will be compared to the strategies developed at the workshops. She said they wanted to bring to the Board's attention any items that have come up through the public participation process that may not have come up through the Town Hall process or perhaps there may not have been time. She said they wanted to provide the Board with all the information the Institute has heard over the past three years. She said feedback meetings will be held next year; there will be 13 because of the 13 planning districts that have developed during the technical portion of the process. Originally, it was envisioned there would be 11 meetings, but it made more sense to have 13 based upon the planning districts. Ms. Fleming explained that the purpose of the meetings (FIM--Feedback and Implementation Meetings) will be to take out some kind of a draft water plan--whatever the OWRB comes up with based upon the public participation, input from other state agencies, if there are implementation ideas, and ask for input about how to get the water plan implemented--this has been a five year process, and how does the public see this final result being implemented. There are a couple of different formats for the meetings being looked at so that it is more structured than the local input meetings. She said the meetings will most likely begin about March or April of 2011; the Institute's contract ends in July 2011.

Mr. Drummond clarified that the Town Hall report is not the final part of the public input, but will be used for a different document that will be the final public input. Ms. Fleming responded that the OWRRRI will make recommendations to Mr. Arthur and OWRB staff on what has a lot of support, and what doesn't have support. Chairman Herrmann said that the OWRB has been all ears, and at some point needs to make input as to what has been heard; refine and polish it, and take it out for feedback. Mr. Arthur said the agency has some things it would like to bring forth, as well as get input from other water management agencies, so it will not simply be the Town Hall report. The members and staff commented that Town Hall participants are concerned what has been developed at the local meetings will not be lost, that the technical side affects what it looks like, some of the recommendations may not be doable according to the technical output, that there will be action plans associated with the recommendations, what the Legislature's role is once the final plan is delivered in October 2011, and that there is no requirement for the Legislature to approve or bless the final plan but to decide about whether to act on recommendations if a law change and its approval of continued funding for implementation. Mr. Sevenoaks asked about when along the timeline the Board would receive a list of recommendations from the staff, at least preliminary, so as the Board may need extra session to "boils down," the information. He thought it could be presented at the Governor's Water Conference. Mr. Arthur said it was the vision that could take place and be delivered by October. Mr. Strong said that at next month's meeting the timeline could be reviewed for the final year, as well as the final budget for the next year. Mr. Arthur said that the pieces we know will be in the plan, will be reported to the Board so it all won't come to the Board at one time. Mr. Nichols said the Water Planning committee could meet with staff and then the Board can decide what it is going to do with the plan, as it will be a significant document. Chairman Herrmann said the Board committee structure is in place and the management team is meeting, this is good input. Mr. Fite said he thought it important to approach the Natural Resource Committee of the House and Senate and have interaction. There were additional comments about the Legislature, and communicating with the members and the committees about the plan. Ms. Fleming said, to address Mr. Drummond's earlier concern, the workshop comments will show up in the plan.

Ms. Lambert asked about the lack of protested matters before the Board, and Ms. Cunningham described the mediation efforts the staff has been employing to better inform the public about the permitting process, and to work out issues. Ms. Lambert applauded the staff for working to resolve the issues outside of the public meeting. Mr. Sandbo said there were two applications on the agenda today that were protested but were worked out.

5. SPECIAL CONSIDERATION

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

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

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

B. Items transferred from Summary Disposition Agenda, if any. There were no items transferred from the Summary Disposition Agenda for further consideration.

6. PRESENTATION OF AGENCY BUDGET REPORT.

Ms. Leslie Nance stated the members have been provided the budget-to-actual for July, the first month of FY 2011. It might look skewed in regard to obligated versus budget because staff generally obligates a year's worth of funds for contracts, etc., during the first month of the fiscal year. The agency is only into about 8% of the fiscal year, and has obligated 70%.

Ms. Nance said she would address the makeup of FY2011 budget, and she reviewed the report and budget information noting the general revenue the agency received is \$3.7 million for general operations or 26% of the agency's budget, and a decrease of about \$490,000. She said the revolving fund includes fees, agreements with other entities, Gross Production Tax revenue, loan administration fees and REAP, and is 53% of the budget, but does not include carryover funds which have not been determined. She said revolving fund dollars will not be transferred next year, which means the REAP funds will have to be spent by November or it will be gone. She said 21% of the budget is comprised of federal dollars, including ARRA funds and federal funds passed through the Office of the Secretary of Environment (Ms. Nance said she has excluded the OSE dollars that pass through because it skews the OWRB budget).

Mr. Sevenoaks asked about reduction in FTEs and whether the \$490k loss will be offset by reduction of FTEs. Mr. Strong said there would be some personnel savings, there would be some reductions over the coming months, and there is some targeted savings such as travel. Mr. Sevenoaks asked if there are large reductions such as in Water Quality, and Mr. Strong said yes. Mr. Fite added the Chiefs saved back 10% each year over the past years. Ms. Lambert asked about the pass through funds and Ms. Nance and Mr. Strong addressed those items.

Chairman Herrmann clarified the last page of the packet is the OSE flow through, and the OWRB is the second page, and he suggested the report be modified to clarify what the OWRB budget is, and what the OSE pass through is. The members provided input about a new reporting format and time of presentation.

7. CONSIDERATION OF SUPPLEMENTAL AGENDA ITEMS, IF ANY

Consideration of the Supplemental Agenda items was moved to the Summary Disposition Agenda (3.).

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 Herrmann adjourned the meeting of the Oklahoma Water Resources Board on Tuesday, August 10, 2010.

OKLAHOMA WATER RESOURCES BOARD

_____/s/_____
Rudolf J. Herrmann, Chairman

_____/s/_____
Jess Mark Nichols, Vice Chairman

_____/s/_____
Edward H. Fite

_____/s/_____
Richard Sevenoaks

_____/s/_____
Marilyn Feaver

_____/s/_____
Kenneth K. Knowles

_____/s/_____
F. Ford Drummond

_____/s/_____
Joseph E. Taron

ATTEST:

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