

**OKLAHOMA WATER RESOURCES BOARD**  
**OFFICIAL MINUTES**  
**October 20, 2015**

**1. CALL TO ORDER**

The regular monthly meeting of the Oklahoma Water Resources Board was called to order by Chairman Linda Lambert at 9:33 a.m., on October 20, 2015, in the second floor meeting 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 October 16, 2015, at 4:00 p.m. at the Oklahoma Water Resources Board's offices at 3800 N. Classen Boulevard, and provided on the agency's website.

Chairman Lambert welcomed everyone to the meeting, and asked for the roll call of members.

A. Roll Call

Board Members Present

Linda Lambert, Chairman  
Jason Hitch, Secretary  
Stephen Allen  
Tom Buchanan  
Bob Drake  
Marilyn Feaver  
Ed Fite  
Richard Sevenoaks

Board Members Absent

Ford Drummond, Vice Chairman

Staff Members Present

J.D. Strong, Executive Director  
Rob Singletary, General Counsel  
Amanda Storck, Chief, Administrative Services Division  
Joe Freeman, Chief, Financial Assistance Division  
Kent Wilkins, Assistant Chief, Planning and Management Division  
Derek Smithee, Chief, Water Quality Programs Division  
Mary Schooley, Executive Secretary

Others Present

Phil Brown, Hughes county Rural Water District #5; Stillwater, OK  
Kaylee Maddy, Tuttle/Weger; Doerner Saunders Daniel Anderson, Oklahoma City, OK  
Leslie Smith, Drinking Water State Revolving Fund/Department of Environmental Quality,  
Oklahoma City, OK

Vicki Reed, Drinking Water State Revolving Fund/Department of Environmental Quality,  
Oklahoma City, OK  
Jeff Everett, Oklahoma Gas & Electric, Oklahoma City, OK  
Chris Wolff, Municipal Finance Services, Inc., Edmond, OK  
David Root, City of Canute, OK  
Dan Price, Canute, OK  
Danny Coltrane, SKW, Tulsa, OK  
Sue Ann Nicely, Oklahoma Municipal League, Oklahoma City, OK  
Russell Doughty, Oklahoma for Responsible Water Policy, Broken Bow, OK  
Charlie Swinton, BancFirst, Oklahoma City, OK  
Bud Ground, Environmental Federation of Oklahoma, Oklahoma City, OK  
Andrea Berry, CGC-LLC  
Robert of Shelton, City of Tulsa, OK

B. Discussion, Amendments, and Vote to Approve Official Minutes of the September 15, 2015, Regular Meeting.

Chairman Lambert asked if there was discussion or changes to the draft minutes of the September 15, 2015, Regular Meeting. There were no changes or discussion.

Mr. Hitch moved to approve the September 15, 2015, meeting minutes and Mr. Sevenoaks seconded. There were no comments, and Chairman Lambert called for the vote.

AYE: Allen, Sevenoaks, Hitch, Drake, Fite

NAY: None

ABSTAIN: Feaver, Lambert

ABSENT: Buchanan, Drummond

Mr. Tom Buchanan joined the meeting at 9:35 a.m.

C. Executive Director's Report

Mr. J.D. Strong, OWRB Executive Director, stated that Ms. Brittnee Preston has returned from maternity leave, and provided a written report about Congressional issues which is included in the members' notebooks. The current focus is on the speaker race in the House, interest in budget and debt limits which will expire November 3, and there is a continuing resolution to fund federal (and water related) agencies through December 11. Senator Lankford's three regulatory reform bills have passed through the Senate Homeland Security Committee which regard regulatory relief, and Senator Inhofe conducted a hearing of the Environment and Public Works on September 30, on oversight of the Army Corps of Engineers, in response to discussion and debate regarding whether the COE was adequately involved in that rulemaking. There was a de-authorization list produced regarding COE projects nation-wide, most of which have not been built, and included power units 5 and 6 at Fort Gibson Lake, saving the federal government \$45 million. On the Waters of the US (WOTUS) front, Mr. Strong updated the members on the court case activities, including the 6<sup>th</sup> Circuit Court of Appeals stay on the WOTUS rule nationwide pending the outcome of several current challenges, noting that some challenges – including Oklahoma's filed by A.G. Pruitt – appear to have some legitimacy and ought to be heard before there is nationwide implementation of the rule.

At the state level, Mr. Strong stated there are several interim studies scheduled now through November and there are four concerning water: (1) October 21 – interim study on pass-through funds by Senator Justice and Representative Osborn and he will speak about the OWRB REAP grant program as an example of an important pass-through to rural communities for drinking water and

wastewater infrastructure; (2) October 30 – interim study on seismic activity with Secretary Teague, Corporation Commission (OWRB not on the agenda) and looking at saltwater injection; (3) November 2 -- Representative Osborn and Representative Cox joint studies on water transfer to alleviate drought which will be held in House Chambers; and (4) November 18 – Senator Floyd interim study on reservoirs which is to look at public water supplies that rely on reservoirs for drinking water and the challenges faced and Mr. Strong will speak about what percentage of reservoir water makes up the overall water supply. There will be representatives of communities and rural water districts that rely on reservoirs presenting, and the DEQ will speak to regulating public water supply. Mr. Drake anticipated there would be discussion at the November 2 meeting about the “non-traditional” droughts of south-central and southeast Oklahoma where people are suffering. Mr. Fite complimented Mr. Smithee and about an article in the paper regarding the State’s Scenic Rivers and he thanked the Board for its work in that area.

Mr. Strong continued his report expressing congratulations to Chairman Linda Lambert who was inducted into the Annual Oklahoma Commerce and Industry Hall of Honor, sponsored by the Meinders School of Business. Ms. Lambert, the first woman chairman of the OWRB, received the Entrepreneurial Spirit Award, and Mr. Strong complimented Ms. Lambert on her acceptance speech and challenge to the audience to give back to the community.

Mr. Strong reported to the members that mediation meetings continue, and he announced in regard to the Ar buckle Simpson case that the Board’s Maximum Annual Yield order was upheld in District Court. Meetings that Mr. Strong attended or where he made a presentation in the last weeks included the Oklahoma Rural Water Association meeting September 17, the Drought Grant/Drinking Water SRF check presentations at Altus on September 21; the Arkansas-Oklahoma Arkansas River Compact met September 24 in Tahlequah; the Beaver-Cache area planning group met September 25 (next meeting October 23); and the Interstate Oil & Gas Compact/National Rural Water Association/Groundwater Protection Council Conference in Oklahoma City was on September 28-30. He attended the Western States Water Council quarterly meeting in Manhattan, KS, October 5-9, spoke to the Society of Environmental Journalists in Norman on October 9, spoke to the Durant Industrial Authority October 13, and the Environmental Federation of Oklahoma on October 15.

Upcoming meetings include the Northwest Water Action Team Water Law Workshop will be held at Enid and several staff members will participate; the Waurika Lake Dredging Ceremony is on November 3; Mr. Strong will speak on the Governor’s Energy Conference Water Panel on November 10, and he will attend the Tulsa Regional Chamber Water Policy meeting in Tulsa on November 12. Mr. Hitch asked about the State Chamber position on regional water planning and Mr. Strong stated he understood the Chamber was not necessarily against regional water planning but opposed to regulatory authority being legislated.

Mr. Strong concluded his report with the announcement of the agency annual Chili Cook-off on October 29, that the next OWRB meeting will be held on Tuesday, November 17, 2015, at 9:30 a.m. in the OWRB Oklahoma City meeting room, and a reminder to register to attend the Governor’s Annual Water Conference. He reviewed the program which will feature the Water for 2060 Advisory Council recommendations recently presented to the Governor and Legislature. The conference will be held December 1-2, at the Embassy Suites Norman Hotel and Conference Center.

#### D. Monthly Budget Report.

Ms. Storck presented the budget report for September 2015 stating the agency has 75% of funding available, and 82% of the fiscal year remaining. She said budgets are being looked at closely, as well as collections from the various revenue sources, with news there may be mid-year cuts and definitely cuts next fiscal year. She said the budget request process is complete and the agency was

instructed not to request additional funds. The House and Senate Appropriations Committee Chairman indicated agencies should be “tightening their belts” in anticipation of cuts next year.

Chairman Lambert asked about the range of mid-year cuts, and Ms. Storck responded that Secretary Doerflinger preferred not to institute mid-year cuts because it is difficult to determine the percentage and often money is returned to agencies. Collections for the Gross Production Taxes are lower than ever compared to last year’s collection of \$1.7 million, at this same time this year, collections are \$600,000.00, or one-third of normal level collections. Regarding the agency collections from the GPT, Ms. Storck stated it usually receives funds until the maximum amount is reached which typically is October-December, and can be received into the next year. Receiving other funding and payment of expenses are on track. Mr. Fite added there was discussion of a possible 7.35% cut to agencies in the next fiscal year.

There were no other questions by members.

## 2. FINANCIAL ASSISTANCE DIVISION

A. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Rural Water District No.5, Hughes County. Recommended for Approval. Mr. Joe Freeman, Chief, Financial Assistance Division, stated to the members that this item is a \$133,700.00 loan request by the Hughes County Rural Water District #5. The District is requesting the loan to go along with a \$31,000.00 Rural Economic Action Plan grant to install approximately 320 automated meter readers and meter boxes. The loan will be funded through the Clean Water State Revolving Loan Fund program, and he noted provisions of the loan agreement. He said the District has been a loan customer of the Board for over 13 years and the debt coverage ratio stands at approximately 1.65-times. Staff recommended approval of the loan request.

Mr. Phil Brown, Project Engineer, was present in support of the loan application.

Mr. Hitch moved to approve the Clean Water SRF loan to the Hughes County RWD #5, and Mr. Drake seconded.

AYE: Allen, Feaver, Buchanan, Sevenoaks, Hitch, Drake, Fite, Lambert

NAY: None

ABSTAIN: None

ABSENT: Drummond

B. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Canute Public Works Authority, Washita County. Recommended for Approval. Mr. Freeman said this item is a \$2,120,000.00 loan request by the Canute Public Works Authority located in Washita County. The Authority has requested the loan proceeds to go along with a \$350,000.00 Community Development Block Grant and a \$100,000.00 REAP grant from the Southwestern Oklahoma Development Association. The project is to construct a 150-gallon per minute reverse osmosis membrane water treatment plant, and funds will also be used for a raw water pipeline for transporting water from the well field to the treatment plant and a water line for transporting treated water from the water plant to the standpipe. Mr. Freeman said the loan will be funded through the Drinking Water State Revolving Loan program, and he noted provisions of the loan agreement. The debt coverage ration stands at 1.6-times. Staff recommended approval of the loan application.

Representing Canute in support of the loan application were Mayor David Root, Town Manager Dan Price, and Mr. Danny Coltrane. Mayor Root explained the history of the project and decision to partner with the Town of Clinton.

Mr. Hitch asked what is done with the concentrated bypass water from the osmosis system. Mayor Root said the water will be placed in the lagoons and evaporated. Mr. Hitch asked about the

concentrated nitrates, and the project engineer explained the evaporation of concentrated water in the non-discharging lagoon.

Chairman Lambert stated if there were no other questions she would entertain a motion. Mr. Drake moved to approve the Drinking Water SRF loan to the Canute Public Works Authority, and Mr. Fite seconded.

AYE: Allen, Feaver, Buchanan, Sevenoaks, Hitch, Drake, Fite, Lambert  
NAY: None  
ABSTAIN: None  
ABSENT: Drummond

C. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Lexington Public Works Authority, Cleveland County. Recommended for Approval.

Mr. Freeman stated this item is for a \$3,091,500.00 loan request from the Lexington Public Works Authority located in Cleveland County. The Authority is requesting the loan to construct a new sequencing batch reactor wastewater treatment plant as well as rehabilitate and repurpose an existing aeration basin and an emergency holding pond. He said the loan will be funded through the Clean Water State Revolving Loan program, and he noted provisions of the loan agreement. Lexington has previously been a loan customer of the Board and all loans have been paid in full. The debt coverage ratio stands at 1.48-times. Staff recommended approval of the loan request.

Mayor David Adams represented the Authority in support of the loan application.

There were no questions by the members and Chairman Lambert entertained a motion. Ms. Feaver moved to approve the Clean Water SRF loan to the Lexington Public Works Authority, and Mr. Buchanan seconded.

AYE: Allen, Feaver, Buchanan, Sevenoaks, Hitch, Drake, Fite, Lambert  
NAY: None  
ABSTAIN: None  
ABSENT: Drummond

D. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Tulsa Metropolitan Utility Authority, Tulsa County. Recommended for Approval.

Mr. Freeman stated this item is a Clean Water SRF loan request by the Tulsa Metropolitan Utility Authority. Tulsa is requesting \$28,330,000.00 for improvements at the Northside Wastewater Treatment Plant, replacements of bar screens at the Apache Lift Station, equipment replacement at the 71<sup>st</sup> Street dewatering facility, construction of the Haikey Creek Wastewater Treatment Plant, design work for additional improvement at the Haikey Creek plant, and for the design and construction to rehabilitate sewer lines system-wide. Mr. Freeman noted provisions of the loan agreement. Tulsa has been a customer of the Board for over 25 years and the outstanding principal balance of the 27 loans is \$247.54 million; the debt coverage ratio stands at 1.63-times. Staff recommended approval of the loan application.

Mr. Chad Becker, Financial Services Manager; Mr. Bob Shelton, Engineer; and Ms. Lisa Cooper, Treasurer-Analyst, were present in support of the loan application.

Mr. Allen asked the timeframe for construction of the projects, and Mr. Shelton answered it is expected to take two years.

There were no other comments or questions, and Mr. Fite moved to approve the Clean Water SRF loan to the Tulsa Metropolitan Utility Authority. Mr. Allen seconded.

AYE: Allen, Feaver, Buchanan, Hitch, Drake, Fite, Lambert  
NAY: None  
ABSTAIN: Sevenoaks  
ABSENT: Drummond

During the vote, Mr. Sevenoaks commented the City of Tulsa rolled out its new software package for a state-of-the-art asset management system for the work order systems which was an enormous cost, but will allow the City to utilize an asset management plan for the new CIP project and institute a more stern process to prioritize projects and eventually mitigate rate increases.

E. Consideration of and Possible Action on Amending Proposed Resolution Authorizing Certain Individuals To Sign and Act on Behalf of the Board Regarding the Board's Financial Assistance Program, State Revolving Fund Programs, and Issues of Indebtedness and Authorizing Members to Act as Assistant Secretary. Mr. Freeman stated this item is a resolution amending the signatory resolution approved by the Board last July. The amended resolution is the result of Lori Johnson assuming the position of Assistant Chief of the Financial Assistance Division. He said the remainder of the resolution approved by the Board will remain the same. Staff recommended approval.

There were no questions by members about the amended resolution, and Mr. Strong introduced Ms. Lori Johnson.

Mr. Drake moved to approve the amended proposed resolution, and Mr. Fite seconded.

AYE: Allen, Feaver, Buchanan, Sevenoaks, Hitch, Drake, Fite, Lambert

NAY: None

ABSTAIN: None

ABSENT: Drummond

### 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 to Special Consideration.

B. Discussion, Questions, and Responses Pertaining to Any Items Remaining on Summary Disposition Agenda and Action on Items and Approval of Items listed.

Mr. Kent Wilkins, Assistant Chief, Planning and Management Division, requested that item 3.E.2., temporary permit to use groundwater #2015-568 in the name of Ryan & JoDell Hodgden be withdrawn from the Board's consideration.

Mr. Sevenoaks asked about items 3.D. H. and 3.D. I regarding applications for Seaboard Foods. Mr. Strong stated these are both amendments to existing groundwater permits, 1995 and 1964. Mr. Sevenoaks asked and Mr. Hitch responded the company is updating biosecurity systems, changes in washdowns of barns, discharging to lagoons and land application, all according to ODA requirements. Mr. Buchanan asked if item 3.G., is the first request from Pontotoc County since the Board's approval of the Arbuckle Simpson MAY, and staff responded that it is.

There were no other questions regarding the Summary Disposition Agenda.

Mr. Hitch moved to approve the Summary Disposition Agenda as amended, and Mr. Fite seconded.

There were no questions or comments, and Chairman Lambert called for the vote.

AYE: Allen, Feaver, Buchanan, Sevenoaks, Hitch, Drake, Fite, Lambert  
 NAY: None  
 ABSTAIN: None  
 ABSENT: Drummond

The following items were approved:

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

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

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

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

1. Intergovernmental Agreement with the Office of the Secretary of Energy & Environment for reimbursement of monies for water management planning program.
2. Intergovernmental Agreement with Oklahoma State University – Oklahoma Water Resources Center to conduct a joint conference and symposium at the 2015 Oklahoma Governor’s Water Conference presented before government officials and citizens.
3. Cooperative Agreement to amend with the United States Department of Agriculture (“USDA”) to continue monitoring and evaluating water resources in the Upper Washita River Basin and the Fort Cobb Reservoir.
4. Letter Agreement with U.S. Army Corps of Engineers through District Engineer for the Tulsa District to update the 1997 “*Hydrogeologic Technical Report for the Central and Chikaskia minor groundwater basins in Garfield, Grant and Kay Counties.*”
5. Amendment of Joint Funding Agreement with the United States Geological Survey (“U.S.G.S”) to extend the North Canadian Alluvium and Terrace aquifer study to December 31, 2015 with no increase of funds.

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

1. Lila Mulder, L.L.C., Caddo County, #2015-519
2. Ryan & JoDell Hodgden, Alfalfa County, #2015-568 *item withdrawn*
3. Switzer Farms, Inc., Blaine County, #2015-576

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

1. Neva Brakhage Family Trust, Garfield County, #1987-544
2. Tuttle Public Works Authority, Grady County, #2000-584
3. Jack C. McLemore and Freeda McLemore Revocable Trust, Washita County, #2013-563

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

1. James C. & Karen S. Dowley, Pontotoc County, #2015-581

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

1. Seaboard Foods, L.L.C. , Texas County, #1995-573A

- I. Consideration of and Possible Action on Applications to Amend Prior Rights to Use Groundwater:
  - 1. Seaboard Foods, L.L.C. Texas County, #1964-748A
  
- J. Consideration of and Possible Action on Applications for Regular Permits to Use Stream Water:
  - 1. Tarka Energy, L.L.C., Pawnee County, #2015-024
  - 2. Jacquelyn Pope, Kingfisher County, #2015-028
  
- K. Consideration of and Possible Action on Applications to Amend Regular Permits to Use Stream Water:
  - 1. Lacey & Diana Weger, Bryan County, #1966-667
  - 2. McIntosh County RWS&SWM District #2, McIntosh County, #1995-039
  
- L. Consideration of and Possible Action on Dam and Reservoir Construction:  
None
  
- M. Consideration of and Possible Action on Well Driller and Pump Installer Licensing:
  - 1. New Licenses and Operators:
    - a. Licensee: PSA Environmental Services, LLC DPC-0947
    - 1. Operator: Aaron Sense OP-2121
    - b. Licensee: Z/T Water Well Drilling DPC-0949
    - 1. Operator: Zac Fidler OP-2122
  - 2. New Operators, Licensee Name Change, and/or Activities for Existing Licenses:
    - a. Licensee: Choctaw Nation OEH DPC-0509
      - 1. Operator: Jerad Hubbard OP-2116
      - 2. Operator: B. J. Barron OP-2117
      - 3. Operator: Greg Bryant OP-2118
      - 4. Operator: Bradley Pierce OP-2119
      - 5. Operator: Joshua Williams OP-2120
    - b. Licensee: C & G Water Well, LLC DPC-0454
      - 1. Operator: Curtis Woodbury OP-2123
  
- N. Consideration of and Possible Action on Permit applications for Proposed Development on State Owned or Operated Property within Floodplain Areas:
  - 1. Oklahoma Department of Transportation, Nowata County, #FP-15-13
  - 2. Oklahoma Department of Transportation, Coal County, #FP-15-14
  - 3. Oklahoma Department of Transportation, Seminole County, #FP-15-15
  
- O. Consideration of and Possible Action on Applications for Accreditation of Floodplain Administrators:
  - 1. Town of Gore, Bobby Warren, #FPA-651
  - 2. City of Harrah, Thomas (Bo) C. Bedford, #FPA-652
  - 3. City of Healdton, Greg Parker, #FPA-653
  - 4. City of Krebs, Ed A. Klink, #FPA-654
  - 5. City of Miami, Charles B. Childs, #FPA-655
  - 6. Town of Nash, Verna L. Shroads, #FPA-656
  - 7. City of Waynoka, Jared A. Bowen, #FPA-657

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

- A. No items. There were no items of discussion for the Board's consideration.

**5. SPECIAL CONSIDERATION**

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

**6. NEW BUSINESS**

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

There were no New Business items for the Board’s consideration. However, the members discussed with Mr. Strong whether to hold the December Board meeting in conjunction with the Governor’s Annual Water Conference, December 1-2, 2015, in Norman, Oklahoma. Members expressed their desire the Board meeting be held following the conference, and indicated their ability to attend either date. Chairman Lambert stated she and Mr. Strong would work with staff and make a determination about moving the December meeting.

**7. ADJOURNMENT**

There being no further business, Chairman Lambert adjourned the meeting of the Oklahoma Water Resources Board at 10:27 a.m. on October 20, 2015.

**OKLAHOMA WATER RESOURCES BOARD**

\_\_\_\_\_/s/\_\_\_\_\_  
Linda P. Lambert, Chairman

\_\_\_\_\_/s/\_\_\_\_\_  
F. Ford Drummond, Vice Chairman

\_\_\_\_\_/s/\_\_\_\_\_  
Edward H. Fite

\_\_\_\_\_/s/\_\_\_\_\_  
Marilyn Feaver

\_\_\_\_\_/s/\_\_\_\_\_  
Richard Sevenoaks

\_\_\_\_\_/s/\_\_\_\_\_  
Bob Drake

\_\_\_\_\_/s/\_\_\_\_\_  
Tom Buchanan

\_\_\_\_\_/s/\_\_\_\_\_  
Stephen B. Allen

*ATTEST:*

\_\_\_\_\_/s/\_\_\_\_\_  
Jason W. Hitch, Secretary (SEAL)