

**OKLAHOMA WATER RESOURCES BOARD  
OFFICIAL MINUTES**

**April 12, 2005**

**1. Call to Order**

The regular monthly meeting of the Oklahoma Water Resources Board was called to order by Chairman Ervin Mitchell at 9:30 a.m., on April 12, 2005, in the meeting room of the Oklahoma Water Resources Board, located in offices of the OWRB at 3800 N. Classen Boulevard, Oklahoma City, Oklahoma.

The meeting was conducted pursuant to the Oklahoma Open Meeting Law with due and proper notice provided pursuant to Sections 303 and 311 thereof.

**A. Invocation**

Member Harry Currie gave the invocation.

**B. Roll Call**

**Board Members Present**

Ervin Mitchell, Chairman  
Lonnie Farmer, Vice Chairman  
Harry Currie  
Ed Fite  
Rudy Herrmann  
Jack Keeley  
Mark Nichols  
Richard Sevenoaks

**Board Members Absent**

Bill Secrest, Secretary

**Staff Members Present**

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

**Others Present**

Nathan Goodman, Meridian, Langston, OK  
Anna Brooks, Meridian, OK  
Loraine Hathorn, Meridian, OK  
Michael A. Drea, City of Piedmont, OK  
Cheryl Dorrance, Oklahoma Municipal Utility Providers (OML), Oklahoma City, OK  
Mike Spear, City of Edmond, Oklahoma City, OK  
Lax Godhania, Cobblestone Development, L.L.C., Edmond, OK  
Ken Morris, WK Morris Consulting, Oklahoma City, OK  
Dan Becker, Dolese Bros Co., Oklahoma City, OK  
Robert Ard, Rose State College, Midwest City, OK  
Brett Kimbro, Stephens County Rural Water District #5, Marlow, OK  
Deena Suddath, BancFirst, Oklahoma City, OK  
Bobby & Donna McSpadden, Sardis Lake, Clayton, OK  
Kristen Howell, Williams, Tulsa, OK  
Ricky Pearce, Ryan Whatley Coldiron, Oklahoma City, OK  
Chris Cochran, Capitol West, Oklahoma City, OK  
Robert M. Jones, Capitol West, Oklahoma City, OK

**C. APPROVAL OF MINUTES**

Chairman Mitchell asked Mr. Rudy Herrmann to serve as Acting Secretary in absence of the Board's Secretary, Mr. Bill Secrest.

Chairman Mitchell also recognized the 10-year Anniversary of the Oklahoma City Murrah Building Bombing. As a result of that event, two OWRB employees were killed, and many employees were injured. Chairman Mitchell led the attendees in a moment of silence, and made some personal comments.

Chairman Mitchell stated the draft minutes of the March 8, 2005, Regular Meeting have been distributed. He said he would entertain a motion to approve the minutes unless there were changes.

Mr. Herrmann moved to approve the minutes of the March 8, 2005 Regular Meeting, and Mr. Nichols seconded.

AYE: Currie, Farmer, Herrmann, Keeley, Nichols, Sevenoaks, Mitchell  
NAY: None  
ABSTAIN: Fite  
ABSENT: Secrest

**D. EXECUTIVE DIRECTOR'S REPORT**

Mr. Duane Smith began his report stating that Bill Secrest was absent because of the Oklahoma Rural Water Association Annual Meeting in Tulsa, which he chairs, and Mr. Freeman was also attending that meeting, representing the OWRB in presentations. He said the Board has had a long history with the ORWA with two ORWA founding members serving on the OWRB Board (Mr. Secrest and Mr. Farmer), and he congratulated the organization on its successes.

Mr. Smith invited Mr. Mike Melton, Assistant to the Director, to present the update on legislative activity regarding the Board. He distributed a written report, made comments and responded to questions from the Board members about pending legislation.

In response to questions about legislation for the water plan, Mr. Smith stated that the OWRB could work with whichever of the two bills passes -- Rep. Armes' bill and Sen. Gumm's bill. He said it has been his experience in the past that bills can get bogged down in committee, and the consensus this year is to prevent that. It has been suggested to fund the water plan to be developed by the OWRB and brought back to the legislature—but neither of these bills, however, includes that. He said the Governor has recommended the funding come from the Gross Production REAP account and not through on these bills. He added there has been support from several organizations—and he specifically thanked the Oklahoma Municipal League representative in attendance—the State Chamber and others. He noted that the agency's "wish list" has now been funded from the REAP account.

Mr. Smith continued his report with an update on the status of progress made by the agency on the High Priority programs outlined in the OWRB Strategic Plan, 2005-2009. One of the high priority programs is the update of the Comprehensive Water Plan and he enumerated the activities associated with obtaining federal and state dollars as well as working with communities such as the Red River Chloride Control project (included in the federal WRDA bill) to use the Elm Fork in southwestern Oklahoma for irrigation, (supported by the Lugert-Altus Irrigation District); monitoring and implementation for the Illinois River now included in the authorization of the WRDA bill. Other priority programs include: capitalization of the Safe Drinking Water Program and financial assistance program includes support by the Governor's office, OML, State Chamber, Senator Morgan, and Rural Water Association; groundwater and biological monitoring to be included in the state's water quality monitoring activities, as well as the combination with the mass well measurement program for funding for all necessary monitoring--the agency is not after implementation of best management practices--but to eliminate and consolidate funding for a best use of funding for the statewide assessment of water quality monitoring along with the BUMP program; addition of water watch program added to the website access for volunteers; and progress made with the Arbuckle-Simpson study. He added that preliminary information indicate that it appears the water coming from the Vendome Well is over 10,000 years old and the next step is to drill a deep well (3,000 feet).

Mr. Smith concluded his remarks noting upcoming meetings. The Arkansas-Oklahoma Arkansas River Compact Commission meets on April 14 in Sallisaw. The Western States Water Council meets on April 19-22 and has been involved in developing the National Drought Policy. The OWRB is the Water Availability Subcommittee Chair of the State Drought Team. The National Drought Policy is a funding mechanism through the Bureau of Reclamation that directs money to drought activities. Some projects by the OWRB through the Bureau have been to install a well where in severe drought conditions when water wells, rivers or ponds go dry, and farmers can take a tanker truck and get water for cattle which has been a very successful program, as well as to assist with rural fires. The Red River Compact Commission will be meeting in New Orleans April 25-26, and Oklahoma has sent a letter to the Chairman and other commissioners regarding a Lake Texoma Reallocation Study -- Texas has requested that Texoma water be reallocated from the hydropower pool to the water supply pool to use for drinking water in Texas. The Compact states Oklahoma gets one-half of the water in Texoma; therefore, one-half of the water in the study is Oklahoma's, although Oklahoma does not use water from Texoma. Mr. Sevenoaks expressed his concern that in the future it may not be up to the state to say where water is used. The other issue is Sweetwater Creek, and Texas has been unwilling to put rules into place to restrict the use of water in the western edge.

Mr. Smith concluded his report announcing the Financial Disclosure Statements are due May 2, 2005.

## 2. FINANCIAL ASSISTANCE DIVISION

A. Consideration of and Possible Action on a Proposed Order Approving Emergency Grant for Town of Meridian, Logan County, Oklahoma. Recommended for Approval. Mr. Smith introduced Ms. Julie Cunningham, Assistant Chief of the Financial Assistance Division, who would make the presentation on the behalf of the Financial Assistance Division in Mr. Freeman's absence.

Ms. Cunningham stated the Town of Meridian operates a water system that serves approximately 41 homes but does not have a sewage collection infrastructure as each home has its own septic system. She said the sewage effluent has surfaced in some areas of town creating a health hazard and to correct the problem, the Town has proposed installing a sewage collection system with Total Retention Lagoon treatment. The proposed project consists of the installation of a sewage collection system including collection lines, septic tanks, service connections, and a total retention lagoon and related appurtenances. The estimated total project cost is \$308,000.00, with funding of \$50,000.00 ACOG REAP grant, \$108,000.00 Department of Commerce CDB grant, \$50,000.00 in local funds and the requested OWRB emergency grant of \$100,000.00. Ms. Cunningham stated that staff recommended approval.

Ms. Anna Brooks, Mayor of Meridian, Dr. Nate Goodman with Langston University, and Ms. Loraine Hathorn, Town Manager, were present in support of the emergency grant application.

Mr. Sevenoaks asked if the town had raised its water and sewer rates, and Ms. Brooks responded that it had raised the rates. Mr. Currie asked about the public funding of septic tanks on private property. Ms. Cunningham and Mr. Wick Warden responded that the engineer, Mr. Phil Brown, had worked with the Department of Environmental Quality to design a small perimeter sewer system because of cost restrictions that allows the collection to be from a 4-inch pipe instead of 8-inch. He said the septic tanks are actually settling basins and Meridian will need to work out a plan with the citizens where the septic tank in the yard becomes public property through an easement. With this arrangement, there may be some operation and maintenance costs to be planned for in advance; otherwise, the town would not ever be able to have a collection system.

Mr. Fite moved to approve the emergency grant application to the Town of Meridian, and Mr. Herrmann seconded.

AYE:	Currie, Farmer, Fite, Herrmann, Keeley, Nichols, Sevenoaks, Mitchell
NAY:	None
ABSTAIN:	None
ABSENT:	Secrest

B. Consideration of and Possible Action on a Proposed Order Approving Emergency Grant for Piedmont Municipal Authority, Canadian County, Oklahoma. Recommended for Approval.

Ms. Cunningham stated this item is for the consideration of a \$50,000.00 grant request by the Piedmont Municipal Authority. The Authority owns and operates a wastewater system that serves the Town of Piedmont and adjacent areas. The west side sanitary sewer lift station has experienced complete pump failure from electrical damage sustained during a winter ice storm. Repair of the lift station pumps is not feasible due to the deteriorated structure of the wet well. The Authority has proposed to resolve the problem by constructing a new lift station, valve vault, instrumentation and related necessary construction and appurtenances. The estimated total project cost is \$90,455.00 with funding provided by \$40,455.00 in local funds and the requested OWRB grant of \$50,000.00. Staff recommended approval.

Mr. Michael Drea, City Manager, Mr. Clark Williams, Community Development Director, and Mr. John Brown, Vice Mayor, were present in support of the grant request.

Mr. Herrmann moved to approve the grant to the Piedmont Municipal Authority, and Mr. Sevenoaks seconded.

AYE: Currie, Farmer, Fite, Herrmann, Keeley, Nichols, Sevenoaks, Mitchell  
NAY: None  
ABSTAIN: None  
ABSENT: Secrest

C. Consideration of and Possible Action on a Proposed Order Approving Emergency Grant for Rural Water District #5, Stephens County, Oklahoma. Recommended for Approval. Ms. Cunningham informed the members that the Stephens County RWD #5 requested a grant in the amount of \$100,000.00 to extend service to an additional 375 customers for a total of 2,013 customers. She said a recent ODEQ study discovered taste and odor problems in the area wells and determined groundwater supplies were not suitable for human consumption and most other domestic uses. The District proposed to extend service by constructing water lines, three water storage tanks, pump stations, 5,000-gallon pressurized storage tank, gate valves, hydrants, road crossings, service connections, and related appurtenances. The estimated project cost is \$3,810,000.00 with funding provided by a \$750,000.00 CDBG grant a \$64,000.00 Indian Health Services Grant; \$140,625.00 local funds (system memberships); a \$1,239,920.00 Rural Development Grant and a \$1,515,455.00 Rural Development Loan; and the requested \$100,000.00 emergency grant from the OWRB. Staff recommended approval.

Mr. Bret Kembro, District Manager and Mr. David Wyatt were present in support of the grant request.

Mr. Fite moved to approve the grant request to the Stephens County RWD #5, and Mr. Farmer seconded.

AYE: Currie, Farmer, Fite, Herrmann, Keeley, Nichols, Sevenoaks, Mitchell  
NAY: None  
ABSTAIN: None  
ABSENT: Secrest

D. Consideration of and Possible Action on a Proposed Order Approving Loan for Broken Arrow Municipal Authority, Tulsa County. Recommended for Approval. Ms. Cunningham stated this item is for the consideration of a \$13,300,000.00 State Loan Program Revenue Bond Loan to the Broken Arrow Municipal Authority. She said the Authority would convert five revenue bond loans and a 1997 local issue to a fixed rate, establish a debt service reserve, and pay cost of issuance. Broken Arrow will save an estimated \$3.7 million in interest costs through this refinancing. Ms. Cunningham noted the provisions of the loan agreement, and said that staff recommended approval.

Mr. Jim Twambly, City Manager, and Mr. Rick Smith, financial advisor, were present in support of the loan application.

Mr. Sevenoaks asked if the bonds had been issued and what the rate would be. Mr. Smith responded that he anticipated the rate would be around 4.0 %; He said it is subject to the Board's approval today, and then the Board's underwriters would go to market soon. Mr. Sevenoaks asked if the Board was going to make a new bond issue in order to convert the loans, and Mr. Chris Cochran answered that it is just a conversion of the rates and legally for tax purposes it is not considered a new bond issue, and the bonds of the Water Board will not be an increased amount. The bonds will just be converted to a fixed rather than variable rate. He asked about the original loans, and Mr. Smith answered the original loans were loaned from the Series 2001 pool and the Series 2003 pool. Mr. Sevenoaks asked if the Board was allowed to do an early retirement of those portions of the bond issues, and Mr. Smith answered that because they are variable rate issues every six months there is an opportunity to "call them in".

Mr. Nichols moved to approve the loan request to the Broken Arrow Municipal Authority, and Mr. Herrmann seconded.

AYE: Currie, Farmer, Fite, Herrmann, Keeley, Nichols, Sevenoaks, Mitchell  
NAY: None  
ABSTAIN: None  
ABSENT: Secrest

### 3. SUMMARY DISPOSITION AGENDA

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

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

There were no requests to transfer items to the Special Consideration Agenda; however, Mr. Schuelein asked that items 3.D.7., McAlester office space lease, and 3.D.12., regarding an agreement with North Texas University, be withdrawn from the Board's 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.

Mr. Herrmann commented about the number of applications for dam and reservoir specifications, and Mr. Mathis answered that is typical this time of year when people are planning for spring and summer needs. And, Mr. Currie asked about the length in time of the contract with SAIC conducting work on water wells in the Tinker AFB area. Mr. Schuelein responded this is only for an extension in time, and not an increase in amount of funding. He said that actually no funds are from the OWRB, but the agency serves strictly as a "pass through" mechanism for the US Geological Survey, and the OWRB is not directly involved in the contract. There were no other questions pertaining to items on the Summary Disposition Agenda.

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

AYE: Currie, Farmer, Fite, Herrmann, Keeley, Sevenoaks, Mitchell  
NAY: None  
ABSTAIN: None  
ABSENT: Secrest, Nichols

#### **The following items were approved:**

#### C. Consideration of Approval of the Following Application for REAP Grant in Accordance with the Proposed Order Approving the Grant:

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

D. Contract and Agreements Recommended for Approval

1. Consideration of Renewal Agreement with the Department of Environmental Quality for Monitoring to Support Total Maximum Daily Load Development.
2. Consideration of Subcontract Modification with Science Applications International Corporation (SAIC) to Extend the Time for Performance on Project to Investigate Recharge Dates of Groundwater in the Garber-Wellington Aquifer at Tinker Air Force Base.
3. Consideration of Amendment to Specific Cooperative Agreement with the U. S. Department of Agriculture – Agricultural Research Service for Monitoring and Evaluating Streamflow Height in the Little Washita River Experimental Watershed.
4. Consideration of Agreement with the Chickasaw Nation for Monitoring of Streamflow in Southern Oklahoma.
5. Consideration of Agreement with the Choctaw Nation for Monitoring of Streamflow in Southeastern Oklahoma.
6. Consideration of Lease Agreement with the Department of Central Services for Office Space in the Kerr State Office Building in Tulsa.
7. *Consideration of Lease Renewal Agreement with Mills Family LLC for Office Space in McAlester. Item withdrawn*
8. Consideration of Lease Renewal Agreement with Southpark Investments for Office Space in Woodward.
9. Consideration of Lease Renewal Agreement with Burgess and Burgess for Office Space in Lawton.
10. Consideration of Professional Services Agreement with W. Ken Morris for Work on the Oklahoma Floodplain Management Program.
11. Consideration of Amendment to Interagency Agreement with the Oklahoma Conservation Commission for Work on Stillwater Creek.
12. *Consideration of Subagreement with the University of North Texas through its Lewisville Aquatic Ecosystem Research Facility for Work at Grand Lake o' the Cherokees. Item withdrawn*
13. Consideration of Agreement with the Kiamichi Economic Development District of Oklahoma for Work Related to Lake Wister.
14. Consideration of Memorandum of Understanding with the University of Oklahoma for Co-op/Internship Training.

15. Consideration of Letter Agreement with the U. S. Army Corps of Engineers for Map Modernization.
  16. Consideration of Professional Services Agreement with Michael A. Albano for Work Related to Water Rights Permitting.
- E. Applications for Temporary Permits to Use Groundwater:
1. William E. and Shirley J. Nunley, Grady County, #2001-520
  2. Seneca-Cayuga Tribe of Oklahoma, Delaware County, #2004-584
  3. Coy F. & Myrna R. Morse Living Trust, Caddo County, #2005-502
- F. Applications to Amend Temporary Permits to Use Groundwater:  
None
- G. Applications for Regular Permits to Use Groundwater:
1. Bar-B Ranch, Beaver County, #2004-590
- H. Applications to Amend Regular Permits to Use Groundwater:
1. Town of Laverne, Harper County, #1992-600A
- I. Applications to Amend Prior Rights to Use Groundwater:  
None
- J. Applications for Regular Permits to Use Stream Water:  
None
- K. Applications to Amend Regular Permits to Use Stream Water:  
None
- L. Well Driller and Pump Installer Licensing:  
New Licenses, Accompanying Operator Certificates and Activities:
1. a. Licensee: E TTL Engineers and Consultants, Inc. DPC-0605  
Operator: Thomas Cook OP-1432  
Activities: Monitoring wells and geotechnical borings
- New Operators and/or Activities for Existing Licenses:
1. a. Licensee: Allen Water Well Drilling, Inc. DPC-0003  
Operator: Dennis L. Allen OP-1431  
Activities: Groundwater wells, test holes and observation wells  
Pump installation
  - b. Licensee: Associated Environmental Industries Corp. DPC-0269  
(1) Operator: Edward F. Culie OP-1433  
Activities: Monitoring wells and geotechnical borings
  - (2) Operator: Charles Kevin Allen DPC-0269  
Activities: Monitoring wells and geotechnical borings OP-1434
- M. Dam and Reservoir Plans and Specifications:
1. Basil Savage, Lake Basil, Marshall County, DS-05-04
  2. Basil Savage, Lake Frances, Marshall County, DS-05-05
  3. Twin Eagles Ranch, Ltd., Twin Eagles Lake, Murray County, DS-05-06
  4. Cobblestone Development, L.L.C., Cobblestone Park Lake, Oklahoma County, DS-04-02



- N. Permit Applications for Proposed Development on State Owned or Operated Property within Floodplain Areas:
1. Oklahoma Transportation Authority, Tulsa County, FP-05-01
  2. Oklahoma Department of Transportation Authority, Creek County, FP-05-02

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

There were no items presented to the Board.

**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. 2004-566, City of Edmond, Oklahoma County

1. Summary – Mr. Mike Mathis, Chief, Planning and Management Division, stated to the members that the applicant is requesting a permit to take and use a total of 894 acre-feet of groundwater per year for municipal purposes. The water is proposed to be withdrawn from five well locations on 447.09 acres of dedicated land in Oklahoma County. The land overlies the Garber-Wellington formation for which a hydrologic study has not been completed, therefore, each landowner is entitled to two acre-feet of water per acre of land dedicated to the permit. Mr. Mathis stated there were no protestants in the audience and in the interest of time, he said that the application has been reviewed, and in response to concerns the staff has recommended some conditions regarding well construction techniques that the applicant agrees to. He said staff recommended approval of the permit application.

2. Discussion and presentations by parties. There were no presentations; however, Mr. Herrmann asked if the protestants were in agreement with the conditions in the permit. Mr. Mathis stated the protestants were given opportunity to review and respond, but they have not provided a response. Mr. Keeley said he noted that one of the wells was located within the 1320 distance from one of the protestants, and he asked why the applicant did not move the well location. Mr. Mike Spear, representing the applicant, responded the well location could

have been moved, but they decided that this location was planned and notification given, and the applicant agreed to cement the well below 200 feet. The well will be about 500 feet deep, and the water will be taken from between 230 feet and 500 feet.

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 the temporary groundwater permit no. 2004-566 to the City of Edmond, and Mr. Keeley seconded.

AYE: Currie, Farmer, Fite, Herrmann, Keeley, Nichols, Sevenoaks, Mitchell

NAY: None

ABSTAIN: None

ABSENT: Secrest

B. Application for Temporary Permit to Use Groundwater No. 2004-581, Dolese Bros. Co., Canadian County.

1. Summary – Mr. Mathis stated to the members that the applicant requested a permit to withdraw a total of 1,556 acre-feet per year of groundwater for mining sand and gravel. The water is proposed to be withdrawn from four sand lakes allocated on 778 acres of dedicated land in Canadian County. He said the land overlies the Alluvium and Terrace deposits of the Canadian River, for which the maximum annual yield and equal proportionate share have not been determined; therefore, each landowner is therefore entitled to two acre-feet of water per acre of land dedicated. Mr. Mathis stated staff determined the application to be in compliance with the Oklahoma Groundwater Law, and recommended approval.

Mr. Keeley asked if the water was recycled, and what is the rate of pumpage. Mr. Becker said the water is recycled in a loop and the amount of water pumped is at a rate of 5,000-6,000 gallons per minute, but will only be used at the rate of 8,000 gallons per day. He said the application is for the amount allowed by law, but actual consumption will only be 8,000 gallons per day.

2. Discussion and presentation by parties. There were no protestants in attendance. Mr. Dan Becker, representing Dolese Bros. Co. was 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. Keeley moved to approve the temporary groundwater permit no. 2004-581 to Dolese Bros. Co., and Mr. Sevenoaks seconded.

AYE: Currie, Farmer, Fite, Herrmann, Keeley, Nichols, Sevenoaks, Mitchell

NAY: None

ABSTAIN: None

ABSENT: Secrest

C. Consideration of items transferred from the Summary Disposition Agenda, if any. There were no items transferred from the Summary Disposition Agenda. However, Mr. Smith commented that what is presented to the Board does not accurately reflect the amount of work performed by staff in processing the permits, and many issues are resolved before the matter comes to the Board. He said staff is looking at a fee increase, as an increase has not occurred since 1993. Further discussion continued under agenda item "8. New Business."

## **6. PRESENTATION OF AGENCY BUDGET REPORT.**

Mr. Jim Schuelein, Chief, Administrative Services Division, began his report stating the state is moving into the "home stretch" of the fiscal year budget and there will be some belt-tightening at the agency. He said fuel costs budgeted for the year has been exceeded by \$30,000 due to increased fuel costs at the pump and there are three months to go. He said that additionally, the grants for water quality programs have not come in as anticipated, and expenditures are being reduced. On the bright side, Mr. Schuelein stated the REAP deposit on April 8 amounted to \$733,000 which allowed the agency to meet the entire Arbuckle-Simpson match, and there were several agreements approved on the agenda today that will realize additional funding.

Mr. Sevenoaks asked the income from permitting fees; Mr. Schuelein answered there was \$240,000 deposited, although some is charged to Administration. Mr. Sevenoaks asked just the salary expense for the permitting division, and Mr. Schuelein responded the salary expense is \$373,000 for this year, and there are some positions open. Mr. Herrmann asked about how the cash flow versus dollars collected is related. Mr. Schuelein responded that the budget is developed in June of each year and there are often grants that are not realized, but then there are no expenses either. Staff will review the projections and reduce encumbrances to bring in cash flow. Mr. Herrmann asked if the percentage of budget collected would ever be 100%, and Mr. Schuelein answered it probably would not.

## **7. CONSIDERATION OF SUPPLEMENTAL AGENDA, IF ANY.**

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

## **8. NEW BUSINESS**

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

Regarding the discussion of fees and permitting water use, Mr. Sevenoaks asked if the current fees covered the cost of expenses; Mr. Smith responded the current fees do not cover a fraction of the cost. The base fee is \$125, but compared to the work of processing and particularly now with controversial issues, it is not as easy now to get a permit as it used to be; the review is in-depth with technical review and administrative review and hearings are held. For example, there were 18,000 protests to the Arbuckle-Simpson application, with certified mail sent to each person, and that is costly. With the studies, monitoring, filing system etc., and looking at the future with increased controversy and the management necessary, the agency's system is going to have to be brought up to speed. Mr. Sevenoaks mentioned the City of Tulsa uses a model including salary expense and benefit package from each employee, but also the allocated portion of administrative costs, a portion of the indirect costs, etc., for a full justification package is built in to be able to estimate the cost of the average activity for an area.

Mr. Smith stated that he believed water issues will be much more controversial in the next ten years than in the past ten years, and there were many factors he would like to see

considered in the processing of a permit. He said the staff will be conducting review and research and would bring information to the Board in the future.

The members and staff discussed financing aspects and the activities associated with processing temporary and regular, protested and nonprotested, groundwater and streamwater permits. Mr. Smith added that he has been discussing the idea of an "audit" on agency programs to determine if the program is doing what is required by law; if not then why, what is the budget scenario, and develop recommendations; the permitting program may be a good pilot project for that type of audit, and prior to going to the legislature and the public with a fee proposal.

There were no other New Business items for the Board's consideration.

## 10. ADJOURNMENT

There being no further business, Chairman Mitchell adjourned the regular meeting of the Oklahoma Water Resources Board at 11:05 a.m. on Tuesday, April 12, 2005.

### OKLAHOMA WATER RESOURCES BOARD

\_\_\_\_\_/s/\_\_\_\_\_  
Ervin Mitchell, Chairman

\_\_\_\_\_/s/\_\_\_\_\_  
Lonnie Farmer, Vice Chairman

\_\_\_\_\_/Absent\_\_\_\_\_  
Harry Currie

\_\_\_\_\_/s/\_\_\_\_\_  
Rudolf J. Herrmann

\_\_\_\_\_/s/\_\_\_\_\_  
Jack W. Keeley

\_\_\_\_\_/s/\_\_\_\_\_  
Jess Mark Nichols

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

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

ATTEST:

\_\_\_\_\_/s/\_\_\_\_\_  
Bill Secrest, Secretary

(SEAL)

**OKLAHOMA WATER RESOURCES BOARD  
OFFICIAL MINUTES**

**April 12, 2005**

**1. Call to Order**

The regular monthly meeting of the Oklahoma Water Resources Board was called to order by Chairman Ervin Mitchell at 9:30 a.m., on April 12, 2005, in the meeting room of the Oklahoma Water Resources Board, located in offices of the OWRB at 3800 N. Classen Boulevard, Oklahoma City, Oklahoma.

The meeting was conducted pursuant to the Oklahoma Open Meeting Law with due and proper notice provided pursuant to Sections 303 and 311 thereof.

**A. Invocation**

Member Harry Currie gave the invocation.

**B. Roll Call**

**Board Members Present**

Ervin Mitchell, Chairman  
Lonnie Farmer, Vice Chairman  
Harry Currie  
Ed Fite  
Rudy Herrmann  
Jack Keeley  
Mark Nichols  
Richard Sevenoaks

**Board Members Absent**

Bill Secrest, Secretary

**Staff Members Present**

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

**Others Present**

Nathan Goodman, Meridian, Langston, OK  
Anna Brooks, Meridian, OK  
Loraine Hathorn, Meridian, OK  
Michael A. Drea, City of Piedmont, OK  
Cheryl Dorrance, Oklahoma Municipal Utility Providers (OML), Oklahoma City, OK  
Mike Spear, City of Edmond, Oklahoma City, OK  
Lax Godhania, Cobblestone Development, L.L.C., Edmond, OK  
Ken Morris, WK Morris Consulting, Oklahoma City, OK  
Dan Becker, Dolese Bros Co., Oklahoma City, OK  
Robert Ard, Rose State College, Midwest City, OK  
Brett Kimbro, Stephens County Rural Water District #5, Marlow, OK  
Deena Suddath, BancFirst, Oklahoma City, OK  
Bobby & Donna McSpadden, Sardis Lake, Clayton, OK  
Kristen Howell, Williams, Tulsa, OK  
Ricky Pearce, Ryan Whatley Coldiron, Oklahoma City, OK  
Chris Cochran, Capitol West, Oklahoma City, OK  
Robert M. Jones, Capitol West, Oklahoma City, OK

**C. APPROVAL OF MINUTES**

Chairman Mitchell asked Mr. Rudy Herrmann to serve as Acting Secretary in absence of the Board's Secretary, Mr. Bill Secrest.

Chairman Mitchell also recognized the 10-year Anniversary of the Oklahoma City Murrah Building Bombing. As a result of that event, two OWRB employees were killed, and many employees were injured. Chairman Mitchell led the attendees in a moment of silence, and made some personal comments.

Chairman Mitchell stated the draft minutes of the March 8, 2005, Regular Meeting have been distributed. He said he would entertain a motion to approve the minutes unless there were changes.

Mr. Herrmann moved to approve the minutes of the March 8, 2005 Regular Meeting, and Mr. Nichols seconded.

AYE: Currie, Farmer, Herrmann, Keeley, Nichols, Sevenoaks, Mitchell  
NAY: None  
ABSTAIN: Fite  
ABSENT: Secrest

**D. EXECUTIVE DIRECTOR'S REPORT**

Mr. Duane Smith began his report stating that Bill Secrest was absent because of the Oklahoma Rural Water Association Annual Meeting in Tulsa, which he chairs, and Mr. Freeman was also attending that meeting, representing the OWRB in presentations. He said the Board has had a long history with the ORWA with two ORWA founding members serving on the OWRB Board (Mr. Secrest and Mr. Farmer), and he congratulated the organization on its successes.

Mr. Smith invited Mr. Mike Melton, Assistant to the Director, to present the update on legislative activity regarding the Board. He distributed a written report, made comments and responded to questions from the Board members about pending legislation.

In response to questions about legislation for the water plan, Mr. Smith stated that the OWRB could work with whichever of the two bills passes -- Rep. Armes' bill and Sen. Gumm's bill. He said it has been his experience in the past that bills can get bogged down in committee, and the consensus this year is to prevent that. It has been suggested to fund the water plan to be developed by the OWRB and brought back to the legislature—but neither of these bills, however, includes that. He said the Governor has recommended the funding come from the Gross Production REAP account and not through on these bills. He added there has been support from several organizations—and he specifically thanked the Oklahoma Municipal League representative in attendance—the State Chamber and others. He noted that the agency's "wish list" has now been funded from the REAP account.

Mr. Smith continued his report with an update on the status of progress made by the agency on the High Priority programs outlined in the OWRB Strategic Plan, 2005-2009. One of the high priority programs is the update of the Comprehensive Water Plan and he enumerated the activities associated with obtaining federal and state dollars as well as working with communities such as the Red River Chloride Control project (included in the federal WRDA bill) to use the Elm Fork in southwestern Oklahoma for irrigation, (supported by the Lugert-Altus Irrigation District); monitoring and implementation for the Illinois River now included in the authorization of the WRDA bill. Other priority programs include: capitalization of the Safe Drinking Water Program and financial assistance program includes support by the Governor's office, OML, State Chamber, Senator Morgan, and Rural Water Association; groundwater and biological monitoring to be included in the state's water quality monitoring activities, as well as the combination with the mass well measurement program for funding for all necessary monitoring--the agency is not after implementation of best management practices--but to eliminate and consolidate funding for a best use of funding for the statewide assessment of water quality monitoring along with the BUMP program; addition of water watch program added to the website access for volunteers; and progress made with the Arbuckle-Simpson study. He added that preliminary information indicate that it appears the water coming from the Vendome Well is over 10,000 years old and the next step is to drill a deep well (3,000 feet).

Mr. Smith concluded his remarks noting upcoming meetings. The Arkansas-Oklahoma Arkansas River Compact Commission meets on April 14 in Sallisaw. The Western States Water Council meets on April 19-22 and has been involved in developing the National Drought Policy. The OWRB is the Water Availability Subcommittee Chair of the State Drought Team. The National Drought Policy is a funding mechanism through the Bureau of Reclamation that directs money to drought activities. Some projects by the OWRB through the Bureau have been to install a well where in severe drought conditions when water wells, rivers or ponds go dry, and farmers can take a tanker truck and get water for cattle which has been a very successful program, as well as to assist with rural fires. The Red River Compact Commission will be meeting in New Orleans April 25-26, and Oklahoma has sent a letter to the Chairman and other commissioners regarding a Lake Texoma Reallocation Study -- Texas has requested that Texoma water be reallocated from the hydropower pool to the water supply pool to use for drinking water in Texas. The Compact states Oklahoma gets one-half of the water in Texoma; therefore, one-half of the water in the study is Oklahoma's, although Oklahoma does not use water from Texoma. Mr. Sevenoaks expressed his concern that in the future it may not be up to the state to say where water is used. The other issue is Sweetwater Creek, and Texas has been unwilling to put rules into place to restrict the use of water in the western edge.

Mr. Smith concluded his report announcing the Financial Disclosure Statements are due May 2, 2005.

## 2. FINANCIAL ASSISTANCE DIVISION

A. Consideration of and Possible Action on a Proposed Order Approving Emergency Grant for Town of Meridian, Logan County, Oklahoma. Recommended for Approval. Mr. Smith introduced Ms. Julie Cunningham, Assistant Chief of the Financial Assistance Division, who would make the presentation on the behalf of the Financial Assistance Division in Mr. Freeman's absence.

Ms. Cunningham stated the Town of Meridian operates a water system that serves approximately 41 homes but does not have a sewage collection infrastructure as each home has its own septic system. She said the sewage effluent has surfaced in some areas of town creating a health hazard and to correct the problem, the Town has proposed installing a sewage collection system with Total Retention Lagoon treatment. The proposed project consists of the installation of a sewage collection system including collection lines, septic tanks, service connections, and a total retention lagoon and related appurtenances. The estimated total project cost is \$308,000.00, with funding of \$50,000.00 ACOG REAP grant, \$108,000.00 Department of Commerce CDB grant, \$50,000.00 in local funds and the requested OWRB emergency grant of \$100,000.00. Ms. Cunningham stated that staff recommended approval.

Ms. Anna Brooks, Mayor of Meridian, Dr. Nate Goodman with Langston University, and Ms. Loraine Hathorn, Town Manager, were present in support of the emergency grant application.

Mr. Sevenoaks asked if the town had raised its water and sewer rates, and Ms. Brooks responded that it had raised the rates. Mr. Currie asked about the public funding of septic tanks on private property. Ms. Cunningham and Mr. Wick Warden responded that the engineer, Mr. Phil Brown, had worked with the Department of Environmental Quality to design a small perimeter sewer system because of cost restrictions that allows the collection to be from a 4-inch pipe instead of 8-inch. He said the septic tanks are actually settling basins and Meridian will need to work out a plan with the citizens where the septic tank in the yard becomes public property through an easement. With this arrangement, there may be some operation and maintenance costs to be planned for in advance; otherwise, the town would not ever be able to have a collection system.

Mr. Fite moved to approve the emergency grant application to the Town of Meridian, and Mr. Herrmann seconded.

AYE:	Currie, Farmer, Fite, Herrmann, Keeley, Nichols, Sevenoaks, Mitchell
NAY:	None
ABSTAIN:	None
ABSENT:	Secrest

B. Consideration of and Possible Action on a Proposed Order Approving Emergency Grant for Piedmont Municipal Authority, Canadian County, Oklahoma. Recommended for Approval.

Ms. Cunningham stated this item is for the consideration of a \$50,000.00 grant request by the Piedmont Municipal Authority. The Authority owns and operates a wastewater system that serves the Town of Piedmont and adjacent areas. The west side sanitary sewer lift station has experienced complete pump failure from electrical damage sustained during a winter ice storm. Repair of the lift station pumps is not feasible due to the deteriorated structure of the wet well. The Authority has proposed to resolve the problem by constructing a new lift station, valve vault, instrumentation and related necessary construction and appurtenances. The estimated total project cost is \$90,455.00 with funding provided by \$40,455.00 in local funds and the requested OWRB grant of \$50,000.00. Staff recommended approval.

Mr. Michael Drea, City Manager, Mr. Clark Williams, Community Development Director, and Mr. John Brown, Vice Mayor, were present in support of the grant request.



Mr. Herrmann moved to approve the grant to the Piedmont Municipal Authority, and Mr. Sevenoaks seconded.

AYE: Currie, Farmer, Fite, Herrmann, Keeley, Nichols, Sevenoaks, Mitchell  
NAY: None  
ABSTAIN: None  
ABSENT: Secrest

C. Consideration of and Possible Action on a Proposed Order Approving Emergency Grant for Rural Water District #5, Stephens County, Oklahoma. Recommended for Approval. Ms. Cunningham informed the members that the Stephens County RWD #5 requested a grant in the amount of \$100,000.00 to extend service to an additional 375 customers for a total of 2,013 customers. She said a recent ODEQ study discovered taste and odor problems in the area wells and determined groundwater supplies were not suitable for human consumption and most other domestic uses. The District proposed to extend service by constructing water lines, three water storage tanks, pump stations, 5,000-gallon pressurized storage tank, gate valves, hydrants, road crossings, service connections, and related appurtenances. The estimated project cost is \$3,810,000.00 with funding provided by a \$750,000.00 CDBG grant a \$64,000.00 Indian Health Services Grant; \$140,625.00 local funds (system memberships); a \$1,239,920.00 Rural Development Grant and a \$1,515,455.00 Rural Development Loan; and the requested \$100,000.00 emergency grant from the OWRB. Staff recommended approval.

Mr. Bret Kembro, District Manager and Mr. David Wyatt were present in support of the grant request.

Mr. Fite moved to approve the grant request to the Stephens County RWD #5, and Mr. Farmer seconded.

AYE: Currie, Farmer, Fite, Herrmann, Keeley, Nichols, Sevenoaks, Mitchell  
NAY: None  
ABSTAIN: None  
ABSENT: Secrest

D. Consideration of and Possible Action on a Proposed Order Approving Loan for Broken Arrow Municipal Authority, Tulsa County. Recommended for Approval. Ms. Cunningham stated this item is for the consideration of a \$13,300,000.00 State Loan Program Revenue Bond Loan to the Broken Arrow Municipal Authority. She said the Authority would convert five revenue bond loans and a 1997 local issue to a fixed rate, establish a debt service reserve, and pay cost of issuance. Broken Arrow will save an estimated \$3.7 million in interest costs through this refinancing. Ms. Cunningham noted the provisions of the loan agreement, and said that staff recommended approval.

Mr. Jim Twambly, City Manager, and Mr. Rick Smith, financial advisor, were present in support of the loan application.

Mr. Sevenoaks asked if the bonds had been issued and what the rate would be. Mr. Smith responded that he anticipated the rate would be around 4.0 %; He said it is subject to the Board's approval today, and then the Board's underwriters would go to market soon. Mr. Sevenoaks asked if the Board was going to make a new bond issue in order to convert the loans, and Mr. Chris Cochran answered that it is just a conversion of the rates and legally for tax purposes it is not considered a new bond issue, and the bonds of the Water Board will not be an increased amount. The bonds will just be converted to a fixed rather than variable rate. He asked about the original loans, and Mr. Smith answered the original loans were loaned from the Series 2001 pool and the Series 2003 pool. Mr. Sevenoaks asked if the Board was allowed to do an early retirement of those portions of the bond issues, and Mr. Smith answered that because they are variable rate issues every six months there is an opportunity to "call them in".

Mr. Nichols moved to approve the loan request to the Broken Arrow Municipal Authority, and Mr. Herrmann seconded.

AYE: Currie, Farmer, Fite, Herrmann, Keeley, Nichols, Sevenoaks, Mitchell  
NAY: None  
ABSTAIN: None  
ABSENT: Secrest

### 3. SUMMARY DISPOSITION AGENDA

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

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

There were no requests to transfer items to the Special Consideration Agenda; however, Mr. Schuelein asked that items 3.D.7., McAlester office space lease, and 3.D.12., regarding an agreement with North Texas University, be withdrawn from the Board's 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.

Mr. Herrmann commented about the number of applications for dam and reservoir specifications, and Mr. Mathis answered that is typical this time of year when people are planning for spring and summer needs. And, Mr. Currie asked about the length in time of the contract with SAIC conducting work on water wells in the Tinker AFB area. Mr. Schuelein responded this is only for an extension in time, and not an increase in amount of funding. He said that actually no funds are from the OWRB, but the agency serves strictly as a "pass through" mechanism for the US Geological Survey, and the OWRB is not directly involved in the contract. There were no other questions pertaining to items on the Summary Disposition Agenda.

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

AYE: Currie, Farmer, Fite, Herrmann, Keeley, Sevenoaks, Mitchell  
NAY: None  
ABSTAIN: None  
ABSENT: Secrest, Nichols

#### **The following items were approved:**

#### C. Consideration of Approval of the Following Application for REAP Grant in Accordance with the Proposed Order Approving the Grant:

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

D. Contract and Agreements Recommended for Approval

1. Consideration of Renewal Agreement with the Department of Environmental Quality for Monitoring to Support Total Maximum Daily Load Development.
2. Consideration of Subcontract Modification with Science Applications International Corporation (SAIC) to Extend the Time for Performance on Project to Investigate Recharge Dates of Groundwater in the Garber-Wellington Aquifer at Tinker Air Force Base.
3. Consideration of Amendment to Specific Cooperative Agreement with the U. S. Department of Agriculture – Agricultural Research Service for Monitoring and Evaluating Streamflow Height in the Little Washita River Experimental Watershed.
4. Consideration of Agreement with the Chickasaw Nation for Monitoring of Streamflow in Southern Oklahoma.
5. Consideration of Agreement with the Choctaw Nation for Monitoring of Streamflow in Southeastern Oklahoma.
6. Consideration of Lease Agreement with the Department of Central Services for Office Space in the Kerr State Office Building in Tulsa.
7. *Consideration of Lease Renewal Agreement with Mills Family LLC for Office Space in McAlester. Item withdrawn*
8. Consideration of Lease Renewal Agreement with Southpark Investments for Office Space in Woodward.
9. Consideration of Lease Renewal Agreement with Burgess and Burgess for Office Space in Lawton.
10. Consideration of Professional Services Agreement with W. Ken Morris for Work on the Oklahoma Floodplain Management Program.
11. Consideration of Amendment to Interagency Agreement with the Oklahoma Conservation Commission for Work on Stillwater Creek.
12. *Consideration of Subagreement with the University of North Texas through its Lewisville Aquatic Ecosystem Research Facility for Work at Grand Lake o' the Cherokees. Item withdrawn*
13. Consideration of Agreement with the Kiamichi Economic Development District of Oklahoma for Work Related to Lake Wister.
14. Consideration of Memorandum of Understanding with the University of Oklahoma for Co-op/Internship Training.

15. Consideration of Letter Agreement with the U. S. Army Corps of Engineers for Map Modernization.
  16. Consideration of Professional Services Agreement with Michael A. Albano for Work Related to Water Rights Permitting.
- E. Applications for Temporary Permits to Use Groundwater:
1. William E. and Shirley J. Nunley, Grady County, #2001-520
  2. Seneca-Cayuga Tribe of Oklahoma, Delaware County, #2004-584
  3. Coy F. & Myrna R. Morse Living Trust, Caddo County, #2005-502
- F. Applications to Amend Temporary Permits to Use Groundwater:  
None
- G. Applications for Regular Permits to Use Groundwater:
1. Bar-B Ranch, Beaver County, #2004-590
- H. Applications to Amend Regular Permits to Use Groundwater:
1. Town of Laverne, Harper County, #1992-600A
- I. Applications to Amend Prior Rights to Use Groundwater:  
None
- J. Applications for Regular Permits to Use Stream Water:  
None
- K. Applications to Amend Regular Permits to Use Stream Water:  
None
- L. Well Driller and Pump Installer Licensing:  
New Licenses, Accompanying Operator Certificates and Activities:
1. a. Licensee: E TTL Engineers and Consultants, Inc. DPC-0605  
Operator: Thomas Cook OP-1432  
Activities: Monitoring wells and geotechnical borings
- New Operators and/or Activities for Existing Licenses:
1. a. Licensee: Allen Water Well Drilling, Inc. DPC-0003  
Operator: Dennis L. Allen OP-1431  
Activities: Groundwater wells, test holes and observation wells  
Pump installation
  - b. Licensee: Associated Environmental Industries Corp. DPC-0269  
(1) Operator: Edward F. Culie OP-1433  
Activities: Monitoring wells and geotechnical borings
  - (2) Operator: Charles Kevin Allen DPC-0269  
Activities: Monitoring wells and geotechnical borings OP-1434
- M. Dam and Reservoir Plans and Specifications:
1. Basil Savage, Lake Basil, Marshall County, DS-05-04
  2. Basil Savage, Lake Frances, Marshall County, DS-05-05
  3. Twin Eagles Ranch, Ltd., Twin Eagles Lake, Murray County, DS-05-06
  4. Cobblestone Development, L.L.C., Cobblestone Park Lake, Oklahoma County, DS-04-02

- N. Permit Applications for Proposed Development on State Owned or Operated Property within Floodplain Areas:
1. Oklahoma Transportation Authority, Tulsa County, FP-05-01
  2. Oklahoma Department of Transportation Authority, Creek County, FP-05-02

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

There were no items presented to the Board.

**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. 2004-566, City of Edmond, Oklahoma County

1. Summary – Mr. Mike Mathis, Chief, Planning and Management Division, stated to the members that the applicant is requesting a permit to take and use a total of 894 acre-feet of groundwater per year for municipal purposes. The water is proposed to be withdrawn from five well locations on 447.09 acres of dedicated land in Oklahoma County. The land overlies the Garber-Wellington formation for which a hydrologic study has not been completed, therefore, each landowner is entitled to two acre-feet of water per acre of land dedicated to the permit. Mr. Mathis stated there were no protestants in the audience and in the interest of time, he said that the application has been reviewed, and in response to concerns the staff has recommended some conditions regarding well construction techniques that the applicant agrees to. He said staff recommended approval of the permit application.

2. Discussion and presentations by parties. There were no presentations; however, Mr. Herrmann asked if the protestants were in agreement with the conditions in the permit. Mr. Mathis stated the protestants were given opportunity to review and respond, but they have not provided a response. Mr. Keeley said he noted that one of the wells was located within the 1320 distance from one of the protestants, and he asked why the applicant did not move the well location. Mr. Mike Spear, representing the applicant, responded the well location could

have been moved, but they decided that this location was planned and notification given, and the applicant agreed to cement the well below 200 feet. The well will be about 500 feet deep, and the water will be taken from between 230 feet and 500 feet.

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 the temporary groundwater permit no. 2004-566 to the City of Edmond, and Mr. Keeley seconded.

AYE: Currie, Farmer, Fite, Herrmann, Keeley, Nichols, Sevenoaks, Mitchell

NAY: None

ABSTAIN: None

ABSENT: Secrest

B. Application for Temporary Permit to Use Groundwater No. 2004-581, Dolese Bros. Co., Canadian County.

1. Summary – Mr. Mathis stated to the members that the applicant requested a permit to withdraw a total of 1,556 acre-feet per year of groundwater for mining sand and gravel. The water is proposed to be withdrawn from four sand lakes allocated on 778 acres of dedicated land in Canadian County. He said the land overlies the Alluvium and Terrace deposits of the Canadian River, for which the maximum annual yield and equal proportionate share have not been determined; therefore, each landowner is therefore entitled to two acre-feet of water per acre of land dedicated. Mr. Mathis stated staff determined the application to be in compliance with the Oklahoma Groundwater Law, and recommended approval.

Mr. Keeley asked if the water was recycled, and what is the rate of pumpage. Mr. Becker said the water is recycled in a loop and the amount of water pumped is at a rate of 5,000-6,000 gallons per minute, but will only be used at the rate of 8,000 gallons per day. He said the application is for the amount allowed by law, but actual consumption will only be 8,000 gallons per day.

2. Discussion and presentation by parties. There were no protestants in attendance. Mr. Dan Becker, representing Dolese Bros. Co. was 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. Keeley moved to approve the temporary groundwater permit no. 2004-581 to Dolese Bros. Co., and Mr. Sevenoaks seconded.

AYE: Currie, Farmer, Fite, Herrmann, Keeley, Nichols, Sevenoaks, Mitchell

NAY: None

ABSTAIN: None

ABSENT: Secrest

C. Consideration of items transferred from the Summary Disposition Agenda, if any. There were no items transferred from the Summary Disposition Agenda. However, Mr. Smith commented that what is presented to the Board does not accurately reflect the amount of work performed by staff in processing the permits, and many issues are resolved before the matter comes to the Board. He said staff is looking at a fee increase, as an increase has not occurred since 1993. Further discussion continued under agenda item "8. New Business."

## **6. PRESENTATION OF AGENCY BUDGET REPORT.**

Mr. Jim Schuelein, Chief, Administrative Services Division, began his report stating the state is moving into the "home stretch" of the fiscal year budget and there will be some belt-tightening at the agency. He said fuel costs budgeted for the year has been exceeded by \$30,000 due to increased fuel costs at the pump and there are three months to go. He said that additionally, the grants for water quality programs have not come in as anticipated, and expenditures are being reduced. On the bright side, Mr. Schuelein stated the REAP deposit on April 8 amounted to \$733,000 which allowed the agency to meet the entire Arbuckle-Simpson match, and there were several agreements approved on the agenda today that will realize additional funding.

Mr. Sevenoaks asked the income from permitting fees; Mr. Schuelein answered there was \$240,000 deposited, although some is charged to Administration. Mr. Sevenoaks asked just the salary expense for the permitting division, and Mr. Schuelein responded the salary expense is \$373,000 for this year, and there are some positions open. Mr. Herrmann asked about how the cash flow versus dollars collected is related. Mr. Schuelein responded that the budget is developed in June of each year and there are often grants that are not realized, but then there are no expenses either. Staff will review the projections and reduce encumbrances to bring in cash flow. Mr. Herrmann asked if the percentage of budget collected would ever be 100%, and Mr. Schuelein answered it probably would not.

## **7. CONSIDERATION OF SUPPLEMENTAL AGENDA, IF ANY.**

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

## **8. NEW BUSINESS**

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

Regarding the discussion of fees and permitting water use, Mr. Sevenoaks asked if the current fees covered the cost of expenses; Mr. Smith responded the current fees do not cover a fraction of the cost. The base fee is \$125, but compared to the work of processing and particularly now with controversial issues, it is not as easy now to get a permit as it used to be; the review is in-depth with technical review and administrative review and hearings are held. For example, there were 18,000 protests to the Arbuckle-Simpson application, with certified mail sent to each person, and that is costly. With the studies, monitoring, filing system etc., and looking at the future with increased controversy and the management necessary, the agency's system is going to have to be brought up to speed. Mr. Sevenoaks mentioned the City of Tulsa uses a model including salary expense and benefit package from each employee, but also the allocated portion of administrative costs, a portion of the indirect costs, etc., for a full justification package is built in to be able to estimate the cost of the average activity for an area.

Mr. Smith stated that he believed water issues will be much more controversial in the next ten years than in the past ten years, and there were many factors he would like to see

considered in the processing of a permit. He said the staff will be conducting review and research and would bring information to the Board in the future.

The members and staff discussed financing aspects and the activities associated with processing temporary and regular, protested and nonprotested, groundwater and streamwater permits. Mr. Smith added that he has been discussing the idea of an "audit" on agency programs to determine if the program is doing what is required by law; if not then why, what is the budget scenario, and develop recommendations; the permitting program may be a good pilot project for that type of audit, and prior to going to the legislature and the public with a fee proposal.

There were no other New Business items for the Board's consideration.

## 10. ADJOURNMENT

There being no further business, Chairman Mitchell adjourned the regular meeting of the Oklahoma Water Resources Board at 11:05 a.m. on Tuesday, April 12, 2005.

### OKLAHOMA WATER RESOURCES BOARD

\_\_\_\_\_/s/\_\_\_\_\_  
Ervin Mitchell, Chairman

\_\_\_\_\_/s/\_\_\_\_\_  
Lonnie Farmer, Vice Chairman

\_\_\_\_\_/Absent\_\_\_\_\_  
Harry Currie

\_\_\_\_\_/s/\_\_\_\_\_  
Rudolf J. Herrmann

\_\_\_\_\_/s/\_\_\_\_\_  
Jack W. Keeley

\_\_\_\_\_/s/\_\_\_\_\_  
Jess Mark Nichols

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

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

ATTEST:

\_\_\_\_\_/s/\_\_\_\_\_  
Bill Secrest, Secretary

(SEAL)