

OKLAHOMA WATER RESOURCES BOARD OFFICIAL MINUTES

September 8, 2009

1. Call to Order

The regular monthly meeting of the Oklahoma Water Resources Board was called to order by Chairman Rudolf J. Herrmann at 9:30 a.m., on September 8, 2009, in the Board Room of the Oklahoma Water Resources Board, 3800 N. Classen Boulevard, Oklahoma City, Oklahoma.

The September 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 September 1, 2009, at 4:30 p.m. at the Oklahoma Water Resources Board's offices.

A. Invocation

Chairman Rudy Herrmann asked that in lieu of an invocation, he would allow a moment of silence in recognition of the upcoming 8th anniversary of September 11, 2001.

B. Roll Call

Board Members Present

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

Board Members Absent

None

Staff Members Present

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

Mary Lane Schooley, Executive Secretary
Mike Melton, Executive Administration Division
Kyle Arthur, Director of Planning

Others Present

Gary Dumas, City of Elk City, OK
Theresa Mullican, City of Elk City, OK
Steven Hathaway, City of Elk City, OK
David Dollar, Rogers County Rural Water District #7, Claremore, OK
Charlie Tipton, Rogers County Rural Water District #7, Claremore, OK
Joan Arthur, City of Tulsa, OK
Matt Cooper, City of Tulsa, OK
Hong Fu, City of Ponca City, OK
Rebecca Poole, Oklahoma Department of Environmental Quality, Oklahoma City, OK
Patty Thompson, Oklahoma Department of Environmental Quality, Oklahoma City, OK
Vicki Reed, Oklahoma Department of Environmental Quality, Oklahoma City, OK
Kenneth Thompson, Sperry Utility Authority, Sperry, OK
John Cloud, Sperry Utility Authority, Sperry, OK
Ted Graham, City of Guymon, OK
Wayne Z. Minyard, Mays County Rural Water District #3, Bennington, OK
Jim Anderson, Grand Lake Public Works Authority, Ochelata, OK
Karl D. Nail, Newcastle, OK
Bill Myers, Guymon/Elk City; Oklahoma City, OK
Mike Wofford, Central Oklahoma Master Conservancy District, Oklahoma City, OK
Clyde Shaw, City of Duncan, OK
Scott Vaughn, City of Duncan, OK
Tom Lay, Kerr Irvine Rhodes Ables, Oklahoma City, OK
Barbara Albritton, Sperry; Tulsa, OK
Ken Senour, Guernsey, Inc., Oklahoma City, OK
Josh Caywood, Guernsey, Inc., Oklahoma City, OK
Shanon Phillips, Oklahoma Conservation Commission, Oklahoma City, OK
Angie Burckhalter, Oklahoma Independent Petroleum Association, Oklahoma City, OK
Tiger Feng, Oklahoma Department of Environmental Quality, Oklahoma City, OK
Blu Hulsey, Bixby, OK
Jacob Bachelor, Centennial Law Group, Duncan, OK
Shaun Geurum, Ardmore, OK
Johnny Taylor, Indian Health Service, Oklahoma City, OK
Ken Hammond, Poteau Valley Improvement Authority, Poteau, OK
Keith Wright, Poteau Valley Improvement Authority, Poteau, OK
Charlie Swinton, BancFirst, Oklahoma City, OK
Ben Oglesby, Municipal Finance Services, Edmond, OK
Mike Mathis, Chesapeake Energy, Oklahoma City, OK
Kelly Bounds, eCapitol.net, Oklahoma City, OK
Cheryl Dorrance, Oklahoma Municipal League, Oklahoma City, OK
Jim Ihrby, Newcastle, OK

Paul Balkenbush, Caddo, OK
James Vincent, Caddo, OK

C. APPROVAL OF MINUTES

Chairman Herrmann stated the draft minutes of the August 11, 2009, Regular Meeting had been distributed. He stated he would accept a motion to approve the minutes. Ms. Lambert moved to approve the minutes, and Mr. Knowles seconded.

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

NAY: None

ABSTAIN: None

ABSENT: None

D. EXECUTIVE DIRECTOR'S REPORT

Mr. Duane Smith, Executive Director, greeted the members and said that it is another great day in the State of Oklahoma and for the communities that are here today and all communities in Oklahoma. He said for the second month in a row, the OWRB will set a record on the amount of money that will be sent out. He introduced Senator Sykes, representing Newcastle and Duncan; he said that without the Oklahoma Legislature, this program is not available. Mr. Smith also introduced Mike Thralls, director of the Oklahoma Conservation Commission, and Mr. Barry Bolton, Oklahoma Department of Wildlife Conservation, who were present because of the "Green projects" that are on the agenda today. He said these agencies have done a lot of work reviewing the projects to make sure they are technically sound and without whom the projects would not be possible. Chairman Herrmann added his comments the green projects are an example of agencies working together constructively to make a difference in Oklahoma.

Mr. Smith said next week is the Southwest Oklahoma Water Tour; Speaker Bengé announced an interim study to look at water issues in southwest Oklahoma and the OWRB coordinated the tour, along with other state and federal agencies. The dates are September 17-18; Mr. Josh McClintock distributed an itinerary and briefed the members on activities planned. He said there are 24 legislators, and a total of about 50 people that will be attending. Mr. Smith highlighted some of the stops--Hackberry Flats, Waurika Lake, Duncan, Altus, and Lawton; water quality staff will make presentations at different streams and the various habitat communities, and well driller activities and construction standards present; the Conservation Commission will talk about best management practices; and Department of Environmental Quality will talk about TMDLs and point source information, all in an effort to demonstrate how are spending our dollars. He also mentioned Colonel Funkhouser, District Engineer of the Tulsa District -- and now Southwest Division Commander in Dallas (a first for a Colonel to be a Division Commander and who has worked so well with the OWRB on the Comprehensive Water Plan), and Mike Ryan, Regional Director of the Bureau of Reclamation will also be attending.

Mr. Smith concluded his report presenting the Employee Recognition Award to Ms. Jennifer Wasinger, assistant division chief for the Financial Assistance Division.

Chairman Herrmann stated the Board would consider \$52 million in projects today, and he commented about the work that has been conducted by the agencies' staff in order to present the project, as well as the OWRB staff involvement in national organizations.

2. FINANCIAL ASSISTANCE DIVISION

Mr. Joe Freeman addressed the members and asked that item 2.I. be taken out of order to accommodate Senator Sykes' schedule.

I. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Newcastle Public Works Authority, McClain County. Recommended for Approval. Mr. Joe Freeman, Chief, Financial Assistance Division, stated to the members that this item is for the consideration of a \$2,463,227.00 request from the Newcastle Public Works Authority. He said they are requesting funds for construction of 6,680 feet of 12-inch water line and approximately 17,400 feet of 18-inch water line. This project will allow Newcastle to tie onto Oklahoma City. The project will be funded with Drinking Water State Revolving Fund loan funds, and ARRA funds. Mr. Freeman noted provisions of the loan agreement. Water and sewer connections have increased by 40% in the last ten years; the debt coverage ratio stands at 1.7-times. Staff recommended approval.

Senator Anthony Sykes, Mayor Karl Nail and City Manager Nate Major were present in support of the loan application.

Mr. Nichols moved to approve the Drinking Water SRF loan application by the Newcastle Public Works Authority, and Mr. Fite seconded.

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

NAY: None

ABSTAIN: None

ABSENT: None

Returning to the regular order of items:

A. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Duncan Public Utilities Authority, Stephens County. Recommended for Approval. Mr. Freeman said this item is a \$370,000.00 Drinking Water State Revolving Fund funding request from the Duncan Public Utilities Authority. He said Duncan is requesting the loan to replace two 100 horsepower motors for the aerators, and install two new variable frequency drives in the control building to serve the new motors. He said the project is to be funded with Clean Water SRF loan funds, and ARRA funds. He noted provisions of the loan agreement; Duncan has been a long-time excellent loan customer of the Board's and currently has seven loans outstanding, and a debt coverage ratio of 2.62-times. Staff recommended approval.

Mr. Clyde Shaw, City Manager; Scott Bond, Public Works Director; and Keith McDonald, Financial Advisor, were present in support of the loan application.

Mr. Sevenoaks moved to approve the Clean Water SRF loan funds to the Duncan Public Utilities Authority, and Ms. Lambert seconded.

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

NAY: None
ABSTAIN: None
ABSENT: None

B. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Sperry Utility Services Authority, Tulsa County. Recommended for Approval. Mr. Freeman said this item is a \$390,000.00 funding request from the Sperry Utility Services Authority. Sperry will use the funding to construct a chlorination/dechlorination disinfection system, two chlorine contact basins, a weir with a flow meter, rehabilitate a lift station retaining wall, and raise approximately 50 manholes to the proper grade. The project will be funded with Clean Water State Revolving Fund loan and ARRA funds. Mr. Freeman noted provisions of the loan agreement; Sperry's debt coverage ratio stands at approximately 2.5-times. Staff recommended approval.

Mr. John Cloud, Chairman, Mr. Tim Thompson, Town Administrator, and Ms. Barbara Albritton of INCOG were present in support of the application.

Chairman Herrmann asked what impact the ARRA funds make on this particular project. Ms. Albritton responded it made it easier for the town to commit to the loan; the project is needed anyway.

Mr. Nichols moved to approve the Clean Water SRF loan to the Sperry Utility Services Authority, and Mr. Drummond seconded.

AYE: Sevenoaks, Fite, Keeley, Lambert, Knowles, Drummond, Taron, Nichols, 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. 7, Rogers County. Recommended for Approval. Mr. Freeman said this request by the Rogers County Rural Water District #7 is for \$759,000.00 to be used to construct 7,500 feet of 12-inch water line and for an automatic meter reading system with 1,500 meters. The project will be funded with Drinking Water State Revolving Fund loan funds and ARRA funds. Mr. Freeman noted provisions of the loan agreement. The District's connections have increased over 20% in the last ten years, and the debt coverage ratio stands at 1.7-times. Staff recommended approval.

Mr. Charles Tipton, District Manager, and Mr. David Dollar, engineer, were present in support of the loan request.

Mr. Drummond asked was the meter system to find leaks or a manpower issue? Mr. Tipton said the meters needed to be changed for at least the last 12 years, and the technology will benefit customers to pay online, as well as better reporting on water use.

Mr. Drummond moved to approve the Drinking Water SRF loan to Rogers County RWD #7, and Mr. Sevenoaks seconded.

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

NAY: None

ABSTAIN: None

ABSENT: None

D. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Rural Water District No. 3, Mayes County. Recommended for Approval. Mr. Freeman said the Mayes County Rural Water District No. 3 has requested \$976,000.00 for a major upgrade to the water treatment plant to increase capacity from 400,000 gpd to 700,000 gpd. The project will be funded with Drinking Water SRF loan funds and ARRA funds. Mr. Freeman noted provisions of the loan agreement. The District's connection have increased by over 30% during the past ten years, and the debt coverage ratio is approximately 1.5-times. Staff recommended approval of the loan application.

Mr. Wayne Minyard was present in support of the funding request.

Ms. Lambert commented about the fees paid to the bond counsel and local counsel and asked if there is a standard; Mr. Freeman answered that contract is between the entity and the service provider. He said he monitors those matters for anything out of the ordinary, but the decision is between the entity and provider.

Ms. Lambert moved to approve the Drinking Water SRF loan to Mayes County RWD #3, and Mr. Fite seconded.

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

E. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Grand Lake Public Works Authority, Delaware County. Recommended for Approval. Mr. Freeman said the Grand Lake Public Works Authority has requested \$992,500.00 in Clean Water State Revolving Fund loan funding to rehabilitate five lift stations, 43 manholes, and 5,350 feet of collection lines, as well as install as flow monitoring system and pumps. The project will be funded with Clean Water SRF loan funds, and ARRA funds. Mr. Freeman noted provisions of the loan agreement, noting ARRA funds will be in the form of principal forgiveness. Currently, the GLPWA has five outstanding loans with the Board, and its debt coverage ratio stands at 1.4-times. Staff recommended approval.

Mr. Jim Anderson, District Manager, and Mr. Don Kiser, bond counsel, were present in support of the application. Ms. Lambert asked the total amount of the loans outstanding; Mr. Anderson answered the total is about \$5 million. Mr. Drummond asked the target of the debt coverage ratio, and Mr. Freeman said the goal is 1.25-times. He added this is an interesting entity, the members take their job very seriously, and former OWRB Board Member Dick Seybolt is on this Board.

Mr. Fite moved to approve the Clean Water SRF loan to the Grand Lake Public Works Authority, and Ms. Lambert seconded.

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

F. Consideration of and Possible Action on a Proposed Order Approving FAP Funding Application for Grand Lake Public Works Authority, Delaware County. Recommended for Approval. Mr. Freeman said this additional request from the GLPWA is for a \$1,985,000.00 State Revenue Bond Loan also known as an FAP loan. The request is to refinance three existing variable rate loans with the Board, a loan with the Bank of Oklahoma, and to purchase land for water well sites. The loans being refinanced are for water main extensions, purchase of the Port Duncan utility system, and other water system improvements. Mr. Freeman noted provisions of the new OWRB loan; the debt coverage ratio is approximately 1.4-times. Staff recommended approval.

Mr. Jim Anderson, District Manager, is present in support of the loan request.

Mr. Fite moved to approve the request for funding to the GLPWA, and Mr. Nichols seconded.

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

NAY: None

ABSTAIN: None

ABSENT: None

G. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Ardmore Public Works Authority, Carter County. Recommended for Approval. Mr. Freeman said this request by the Ardmore Public Works Authority is in the amount of \$1,090,000.00 from the Clean Water State Revolving Loan Fund. The funds will be used to replace 185 manholes and rehabilitate approximately 25 existing manholes, along with replacing line, and is a part of the city's wastewater system rehabilitation undertaking. He said the project will be funded with Clean Water SRF loans, and ARRA funds will be made available in an amount not less than 20% of the project's cost and will be in the form of principal forgiveness. Ardmore's water and sewer connections have increased by 7% over the last ten years, and currently has three outstanding loans with the Board. The debt coverage ratio stands at approximately 1.68-times. Mr. Freeman noted provisions of the loan agreement. Staff recommended approval.

Mr. Shawn Garrett, Public Utility Director, and Municipal Finance Services representatives were present in support of the application.

Mr. Drummond asked when it is determined if the 20% minimum of the ARRA funds may be increased up to 30%? Mr. Freeman answered that he will meet with Mr. Smith and Mr. Thompson probably in January (2010) when all the projects should be approved and after the December 31 deadline to close loans approved.

Mr. Drummond moved to approve the Clean Water SRF loan to the Ardmore Public Works Authority, and Dr. Taron seconded.

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

NAY: None

ABSTAIN: None

ABSENT: None

H. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Guymon Utilities Authority, Texas County. Recommended for Approval. Mr. Freeman said this \$1,915,000.00 funding request is from the Guymon Utilities Authority. Guymon is requesting the funding to install 13,500 feet of water main, construct two new water wells, and retrofit one existing water well. The project will be funded with Drinking Water State Revolving Loan Funds, and ARRA funds. Mr. Freeman noted provisions of the loan agreement; Guymon is a long-time, excellent customer of the Board's, and currently has four outstanding loans. The debt coverage ratio is approximately 1.9-times. Staff recommended approval.

Mr. Kenny Hutchins, Mayor; Mr. Ted Graham, City Manager; Bill Myers, Engineer; and Municipal Financial Services, financial advisor, were present in support of the application.

Mr. Fite asked what Guymon's sewer project total cost was, and Mr. Graham answered \$15.1 million, after a lot of "value engineering." Mr. Graham informed the members about the sewer project costs, bids and adjustments, and the project that is subject of this loan for consideration.

Mr. Drummond moved to approve the Drinking Water SRF loan to Guymon, and Mr. Knowles seconded.

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

(2.I. considered at beginning of Financial Assistance Division items.)

J. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Bixby Public Works Authority, Tulsa County. Recommended for Approval. Mr. Freeman said the Bixby Public Works Authority has requested \$3,070,000.00 in Drinking Water State Revolving Fund Loan funds. The project will be funded with DWSRF funds, ARRA funds, and other local funds to construct 15,000 feet of water transmission line ranging in size from 12-24 inches along Mingo Road, including an Arkansas River crossing; install road borings, water valves, and fire hydrants. Mr. Freeman noted provisions of the loan agreement; Bixby has had strong growth over the last several years, with water connections increasing by over 45% since 2000 and sewer connections by over 60%. Bixby currently has one outstanding loan with the Board, and the debt coverage ratio stands a 2.0-times. Staff recommended approval.

Representing Bixby was City Manager Blu Hulsey, and Municipal Finance Services financial advisors.

Chairman Herrmann asked the impact of the ARRA funds on this project. Mr. Hulsey answered the city was able to do more in the project because of the additional funding.

Mr. Fite moved to approve the DWSRF loan to the Bixby PWA, and Mr. Nichols seconded.

AYE: Sevenoaks, Fite, Keeley, Lambert, Knowles, Drummond, Taron, Nichols, Herrmann
NAY: None

ABSTAIN: None
ABSENT: None

Mr. Smith commented that the OWRB has worked with Mr. Hulse for years with Senator Inhofe's staff and he has been a great help with legislation and he expressed his appreciation.

K. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Ponca City Utility Authority, Kay County. Recommended for Approval. Mr. Freeman said this is a \$3,355,000.00 funding request from the Ponca City Utility Authority to construct two new water wells, replace the lime softening system at the water treatment plant, replace sections of the water transmission line from Lake Ponca to the water treatment plant. In addition, the proceeds will be used to install controls at the treatment plant, and at six additional well sites, and new valves. The project will be funded with Drinking Water State Revolving Loan funds and ARRA funds. Mr. Freeman noted provisions of the loan agreement. Ponca City has been a long-time, excellent loan customer of the Board's, and currently has six loans outstanding, and another pending closing. Debt coverage ratio is a very strong 4.8-times. Staff recommended approval.

Ms. Hong Fu, Environmental Services Director, was present in support of the application.

Chairman Herrmann asked the impact to the project due to the availability of ARRA funds, and Ms. Fu responded the project will allow the city to provide improved customer service, resulting in better customer satisfaction, and allowed the city to move forward with the project at this time.

Mr. Nichols moved to approve the Drinking Water SRF loan to the Ponca City Utility Authority, and Mr. Knowles seconded.

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

NAY: None

ABSTAIN: None

ABSENT: None

L. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Lawton Water Authority, Comanche County. Recommended for Approval. Mr. Freeman stated this item is for the consideration of a \$6,210,000.00 request from the Lawton Water Authority for improving its water distribution system, and replacing 51,400 feet of water line. The project will be funded with Drinking Water State Revolving Loan funds and ARRA funds. Mr. Freeman noted provisions of the loan agreement; the ARRA funds will be in the form of principal forgiveness. Lawton has been a long-time loan customer of the Board's, and currently has 13 outstanding loans, and one loan pending closing. The debt coverage ratio stands at approximately 2.28-times. Staff recommended approval.

Representing Lawton was Randy Warren, Rick Endicott, Financial Director; and Keith McDonald, Financial Advisor. Mr. Warren said the ARRA funding allowed the city to speed up the project and address additional issues at the wastewater plant.

Mr. Nichols asked about population numbers, Mr. Warren said the greatest growth is due to BRAC, as Fort Sill is a water customer. He added the ARRA funding will allow the city to

replace 30,000 or 95% of the meters with the AMR system. Ms. Lambert asked about a possible cost savings if cities used one vendor; Mr. Graham said he thought it might be helpful, and he responded to Mr. Sevenoaks question regarding the contractors for the project.

Mr. Nichols moved to approve the Drinking Water SRF application to the Lawton Water Authority, and Dr. Taron seconded.

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

M. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Lawton Water Authority, Comanche County. Recommended for Approval. Mr. Freeman said this item is a Clean Water State Revolving Loan Fund and ARRA fund request by the Lawton Water Authority in the amount of \$12,270,000.00. He said the funds are requested to go along with approximately \$627,000.00 in local funds to replace sewer lines and upgrade the wastewater treatment plant. Mr. Freeman noted provisions of the loan agreement; ARRA funds will be in an amount not to exceed \$2 million. The debt coverage is approximately 2.28-times. Staff recommended approval.

Mr. McDonald said this particular project included wastewater treatment plant improvements, which is under consent order, and the ARRA funds allow the city to address the issues in a more timely fashion, as well as not having to raise rates.

Mr. Nichols asked if a debt-coverage analysis is conducted for a municipality versus a rural water district. Mr. Freeman answered, an analysis is not conducted, but he is aware that usually a municipality's debt-coverage ratio is somewhat stronger, because there is a broader base of revenue sources. Cities transfer monies because they operate a great deal of the city operations on the net income from the utilities authority and rural water districts maintain a good ratio because they are not transferring revenues to support operations.

There being no further questions, Chairman Herrmann called for a motion. Ms. Lambert moved to approve the Clean Water SRF loan to the Lawton Water Authority, and Mr. Fite seconded.

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

N. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Tulsa Metropolitan Utility Authority, Tulsa County. Recommended for Approval. Mr. Freeman state to the members that the item is a \$6,670,000.00 Drinking Water State Revolving Loan Fund request from the Tulsa Metropolitan Utility Authority. Tulsa is requesting the funding to replace 62,000 feet of water line with larger 6-inch line throughout the city. The project will be funded with Drinking Water SRF funds, and ARRA funds; Mr. Freeman noted provisions of the loan agreement. He said that Tulsa has been an excellent loan

customer of the Board's since 1990, and have numerous loans with the OWRB. The debt coverage ration stands at approximately 1.45-times. Staff recommended approval.

Mr. Matt Cooper, Treasury Analyst; and Joan Arthur, project engineer, were present in support of the application.

Dr. Taron moved to approve the Drinking Water SRF loan to the TMUA, and Mr. Fite seconded.

AYE: Fite, Keeley, Lambert, Knowles, Drummond, Taron, Nichols, Herrmann

NAY: None

ABSTAIN: Sevenoaks

ABSENT: None

O. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Elk City Public Works Authority, Beckham County. Recommended for Approval. Mr. Freeman stated this item is a \$9,375,000.00 funding request from Elk City Public Works Authority to constructed 3,500 feet of 12-inch water line, 34,000 of 16-inch water line, 2,700 of 20-inch water line, and 79,700 feet of 24-inch water line. The project will be funded with Drinking Water State Revolving Loan funds, and ARRA funds in the form of principal forgiveness. Mr. Freeman noted provisions of the loan agreement; Elk City water and sewer connections have increased over 15% and the debt-coverage ratio is approximately 1.9-times. This is Elk City's first loan with the Board. Staff recommended approval.

Ms. Teresa Mullican, Mayor; Gary Dumas, City Manager; and Steve Holloway, local counsel were present in support of the loan application.

Chairman Herrmann asked the impact of the ARRA funds to the project, and Ms. Mullican answered the city would be able to expedite timing of the project and allowed it to do some things that may not have to be done right now, but would have to be done and is a benefit to the community. Mr. Drummond asked the water source, and Ms. Mullican said the source is water wells.

Mr. Nichols moved to approve the DWSRF loan to the Elk City PWA, and Mr. Knowles seconded.

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

NAY: None

ABSTAIN: None

ABSENT: None

P. Presentation of the Clean Water State Revolving Fund "Green Project Reserve". Mr. Freeman said this item is for the discussion of the "green projects," and he introduced Ms. Jennifer Wasinger to make a presentation to the Board.

Ms. Wasinger said there are several projects for the Board's consideration, and she provided a brief overview. With passage of the American Recovery and Reinvestment Act, there were several different requirements placed on the State Revolving Fund Program: "buy American" provisions and "Davis Bacon Act" compliance, as well as the state is to dedicate not less than 20% of the Clean Water SRF funds, of \$6.3 million, to be for green projects. The Environmental Protection Agency (EPA) defines *green projects* as those projects that address green infrastructure, water or energy efficiency improvement, or other environmentally innovative activity. The OWRB announced a solicitation accepting proposals for additional

green projects through May, and was posted on the agency website, mailed to service providers and communities as well as state and federal reviewing agencies, environmental organizations, and universities. A thirty-day period closed on May 16, 2009, and seven proposals were received and are eligible under the CWSRF program, but are not traditional wastewater infrastructure. Each project, instead, addressed critical water quality needs which as a result are a solution, not extending from a pipe, but from nonpoint source pollution. The seven projects will receive current funding from the EPA as well as the Oklahoma Conservation Commission, the state's leading nonpoint source agency.

Ms. Wasinger said the Board will be presented three projects today, with the other projects following at the October meeting. Because of the nontraditional nature of the projects, she said the borrowers—Poteau Valley Improvement Authority, Central Oklahoma Master Conservancy District, and Oklahoma Conservation Commission --- have been invited to make a presentation to the Board regarding their application.

Chairman Herrmann asked if these projects are all under Clean Water SRF, and Ms. Wasinger answered yes, there is a similar requirement for the Drinking Water SRF, which is addressed in a different fashion. She said the DEQ conducted cost benefit analysis studies on the AMR projects, and business changes were made in order for the projects to be considered green. Chairman Herrmann asked if a project used ways to make a building green, such as solar panels, static controls, etc., would that be considered green infrastructure under either of the programs. Ms. Wasinger responded they would, the issue is that there is a very detailed business case and required studies that many of the communities have not done. She said that if the reauthorization happens, there will be more time to educate communities about the green projects requirements. Chairman Herrmann commented he understood at this time it is a way to fund projects already "in the pipeline". Ms. Wasinger said these projects are eligible and have always been eligible, they were just able to be "raised to the top of the list" and are projects to be excited about.

Ms. Lambert asked if there are opportunities in the future for potential funding--ARRA grants or other--to conceptually look at whether a project is green, in general as the Board looks at grants and loans? Ms. Wasinger answered that the point system already has elements of sustainability to rank projects, even before ARRA was available, the OWRB staff developed a "green project check list" that will help the reviewer and the project application. Ms. Lambert asked that the Board be informed about the "greenness" of a project. Chairman Herrmann suggested the Water Conference may be forum to education communities; Ms. Lambert said it should become a culture of thinking, rather than a requirement.

Mr. Smith commented about the amount of effort it has taken to get to this point. When the ARRA first came about, and it was known there would be a certain amount that would be green, the OWRB thought that if a wastetreatment plant is funded that would improve water quality in the stream and potentially take a stream off of the 303(d) list, wouldn't that be green, and "business as usual"? But the EPA said "no" and some of the first green business cases were rejected, and the problem is not knowing the about the project, its funding them. The Conservation Commission has a list of green projects, and the City of Tulsa got a loan to fund best management practices in their watersheds, but for the OCC to get a loan for BMPs and expect landowners to repay that loan has not been the way to go, so this green effort has helped to make progress, and the hope is to use these as examples of success that can continue forward. He said it has been a very difficult process.

Dr. Ken Hammond, Poteau Valley Improvement Authority, addressed the members and stated that PVIA has been treating water for 40-50 years, and the history of the problems with Lake Wister began to be discussed in the 1970s. There have been problems with sediment and nutrients, other metals, and in 2003 the OWRB began to focus on those problems, and the PVIA participated in studies and shoreline planning. Several years ago discussions began about treating water, the lake, and the watershed, and more recently around the intake. He said activities have been funded through the OWRB and EPA for a floating wetland near the lake and bevelers to turn the water over, and results have been exciting. He said the study indicated that flow routing seemed to be the most successful, and he explained how releasing water at the dam, and the flow routing will at least be a start to get the lake to become more oxygenated, and improve the overall public perception of the lake and lower PVIA's cost. He said the plan was already in place, but the green funds became available to make it happen. He asked for the Board's consideration. He added that monitoring had been taken out of the project, but he is working to find a way to include that; the water quality will vary between August and February and we need to know what will occur. He said the Lake Wister Watershed Committee has been meeting to develop a strategic plan for Lake Wister and will be getting together with all the stakeholders.

Chairman Herrmann interjected the three projects will be presented, then the Board will vote on each project individually.

Mr. Randy Warden, District Manager, Central Oklahoma Master Conservancy District, addressed the members and thanked the Board for the opportunity for funding the project. He said Lake Thunderbird serves Norman, Midwest City, and Del City with approximately 250,000 population and is one of the most highly urbanized watersheds in the state. As a result, Thunderbird has experienced progressively deteriorating water quality, both in the lake and Little River upstream of the lake. The project will allow the COMCD to supersaturate the water in the hypolimnion of the lake and return it with dissolved oxygen. Two things will happen: increased water quality, and increase fisheries, and reduce the amount of turnover on an annual basis. Currently, he said there is a TMDL underway with DEQ and the OCC, and they have partnered with OWRB for water quality monitoring. He said they are excited to have the opportunity to benefit the lake, the fisheries, wildlife and customers, and he appreciated the Board's favorable consideration. He said the COMCD has enjoyed a good relationship with the OWRB staff, and especially with this project.

Mr. Drummond asked what will actually be done to improve the water quality, and Mr. Warren said the water will be pumped from the lowest level of the lake through a pipeline and through an oxygen fuser and injecting the water back into a different zone to mix the water and adding oxygen. The project will be included in the regular water quality monitoring of the lake.

Ms. Shanon Phillips, Oklahoma Conservation Commission, stated to the members the OCC was grateful to the Board for the opportunity to focus on nonpoint source issues. The majority of water bodies listed on the State's 303(d) list are listed for nonpoint source pollution, but unfortunately, there is very limited resources to address those problems. Much of the work necessary is not required and it is difficult for communities and individuals to find the funds necessary to repay a loan. Without the availability of the principal forgiveness loans, it is unlikely the projects would move forward. She described the project under consideration today, the treambank restoration in the Illinois River and Eucha/Spavinaw watersheds, stating these are among the state's most important watersheds serving as water supplies and sports and recreation. Water bodies in both of the watersheds are listed on the state's 303(d) list for problems related to

nutrients and sediment pollution, and various reports have cited that unstable streambanks in these watersheds are significant causes. There are a number of programs ongoing in these watersheds to address many of the sources of pollution, but unfortunately, without work to also stabilize streambanks, some of that work may be jeopardized. It is very important to add this piece to the puzzle in addressing water quality problems in these watersheds. There are numerous state and federal agencies that receive requests from landowners and other entities across the watershed for streambank erosion problems, but unfortunately, the demand always exceeds the available resources, and efforts are not always coordinated and prioritized. Ms. Phillips said this project will attempt to do a number of things: establish a local working group that will help to recommend a list of projects that should be considered for funding as part of the project, the development of a prioritization scheme maximizing agency needs, and then implement the priorities, with the primary partner in that effort, the Oklahoma Department of Wildlife Conservation. She said the state is fortunate that the ODWC has invested in streambank stabilization, it has one of the strongest teams in the region, if not in the Nation. She said that without these ARRA funds, it would be unlikely that the OCC could implement this project in the watershed.

Ms. Lambert asked about geomorphology, Mr. Sevenoaks asked how the City of Tulsa would be included in the project, complimenting the coordination among agencies, and Mr. Drummond asked what the landowners will be encouraged to do. Ms. Phillips said that some landowners will be asked to fence, but the project includes reshaping the stream segment in the area, creating structure within the stream itself that brings the forces of water away from the eroding bank. Mr. Drummond expressed his concern about the natural process of erosion and if dollars will see results; Ms. Phillips said stable portions of streams have been studied will be used as a reference. Mr. Sevenoaks added that nonpoint source pollution is a primary cause of the problems in Spavinaw/Eucha, and the OCC has taken the lead in how to solve nonpoint source pollution, and riparian ways is where most of the research has been done; while the cooperation of the landowner is a problem, everyone hopes this will work. There was some discussion about nonpoint source pollution, landowner cooperation and other contributors, the role of NRCS, and the importance of monitoring.

Mr. Joe Freeman reviewed the project funding with the Board on each project:

Q. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Poteau Valley Improvement Authority, LeFlore County. Recommended for Approval. Mr. Joe Freeman said the PVIA request is for \$592,995.00, and funding for the project will be through the Clean Water SRF ARRA Green Reserve Fund, and in the form of principal forgiveness. Staff recommended approval. He said that by approving the funding through principal forgiveness rather than as a grant, it saves the entity money.

Ms. Lambert asked about whether monitoring can be included, and Mr. Freeman said the dollar amount for the project has been maxed-out.

Mr. Sevenoaks moved to approve the Clean Water SRF funding to the PVIA, and Dr. Taron seconded.

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

NAY: None

ABSTAIN: None

ABSENT: None

R. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Central Oklahoma Master Conservancy District, Cleveland County. Recommended for Approval. Mr. Freeman said the funding for the COMCD project is in the amount of \$692,773.00 for the project at Lake Thunderbird as previously described. The funding will be from the Green Reserve Fund, Clean Water SRF ARRA funds, and in the form of principal forgiveness. Staff recommended approval.

Ms. Lambert moved to approve the fund for the CMOCD project, and Mr. Drummond seconded.

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

NAY: None

ABSTAIN: None

ABSENT: None

S. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Oklahoma Conservation Commission. Recommended for Approval. Mr. Freeman said this item is for the funding for the OCC project as described in amount of \$2 million. Funding will be from the Green Reserve Fund, Clean Water SRF ARRA funds and in the form of principal forgiveness. Staff recommended approval.

Mr. Knowles moved to approve the project funding to the Oklahoma Conservation Commission, and Mr. Drummond seconded.

Mr. Mike Thralls, Executive Director of the Oklahoma Conservation Commission, addressed the members and expressed his appreciation, and said he intends to engage cooperation in every project and is pleased the ODWC is available. He said there are a number of projects that have been thought about, but the ARRA funds make them a reality in these critical watersheds. He said restoration and cooperation are pieces of the puzzle and he complimented the partners, and thanked the Board.

AYE: Sevenoaks, Keeley, Lambert, Knowles, Drummond, Taron, Nichols, Herrmann

NAY: None

ABSTAIN: Fite

ABSENT: None

Mr. Fite commented about geomorphology and the professor he learned the concept from, and how that applies to the Illinois River and Eucha/Spavinaw Creek. Mr. Nichols commented about NRCS funding, and the state effort to acquire more CSP funding and the recognition that the state is in the watershed. And, Dr. Taron commented about cooperation and monitoring efforts.

T. Consideration of and Possible Action on a Resolution Authorizing the Issuance of Oklahoma Water Resources Board State Loan Program Revenue Bonds, Series 2009 in Aggregate Principal Amount Not to Exceed \$3,000,000; Approving and Authorizing Execution of a Sixteenth 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. Mr. Freeman said this resolution pertains to the bond issue which is the FAP loan for the Grand Lake Public Works Authority, item 2.F. on today's agenda. And also a loan for the McIntosh County Rural Water #13 that will be for the Board's consideration at the October meeting. He said the resolution authorizes these specific items: an issuance of bonds not to exceed \$3,000,000.00, authorizing execution of the bond indenture for the issuance, authorizing the issuance be on a negotiating basis, approving a preliminary official statement, directing deposit of the proceeds to the state treasury for remittance to a trustee (BancFirst), approving the form of promissory note and loan agreement, and directing payment of cost of issuance and other such documents as necessary to close the issue. He said staff recommended approval.

Mr. Bob Jones, Capitol West Securities, underwriter for the Board, and Mr. Don Kiser were present.

Mr. Sevenoaks asked if the issue falls under the current regulations for arbitrage, and Mr. Freeman answered that it does.

Mr. Nichols moved to approve the resolution authorizing issuance of state loan program bonds, and Mr. Fite seconded.

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

U. 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 Members to Act as Assistant Secretary. Recommended for Approval. Mr. Freeman said the resolution names each Board member, except the Chairman, and allow the Board's trustee-BancFirst--to know the Board's composition and the the signatures on file for verification. The resolution is the same as previously approved signatory resolutions, except to include Dr. Joe Taron as the Board's newest member to act on behalf of the Board. Staff recommended approval.

Ms. Lambert moved to approve the resolution authorizing individuals to act on behalf of the Board, and Mr. Fite seconded.

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

Mr. Freeman distributed an updated spreadsheet indicating expenditure of funds for the Drinking Water SRF, estimated total savings, and how much has been obligated.

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 the Special Consideration Agenda.

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

Ms. Cunningham asked that item E. 1., for Leo & Arleta Whitmore, be withdrawn from the Board's consideration.

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

Mr. Drummond moved to approve the Summary Disposition Agenda, and Mr. Knowles seconded.

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

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:

REAP			Amount	
<u>Item No.</u>	<u>Application No.</u>	<u>Entity Name</u>	<u>County</u>	<u>Recommended</u>
KEDDO				
1.	FAP-03-0016-R	Rural Water District #9	McCurtain	\$98,000.00

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

1. Amendment of Joint Funding Agreement with the U.S. Geological Survey for the project “Garber-Wellington Aquifer Management, Central Oklahoma”.
2. Joint Funding Agreement with the U.S. Geological Survey for the project

“Illinois-River high-flow and normal flow sampling and analysis”.

3. Contract with Quartz Mountain for water tour.
 4. Amendment No. 3 to Specific Cooperative Agreement No. 58-6218-8-063 entitled “Monitoring and Evaluating Water Resources in Central Oklahoma Watersheds” with USDA Agriculture Research Station.
 5. Memorandum Agreement with Office of Attorney General for Illinois River Basin Monitoring Project.
 6. Professional Services Contract with James D. Leewright.
 7. Professional Services Contract with Terry O’Connor.
 8. Professional Services Contract with Robert Kellogg.
- E. Applications for Temporary Permits to Use Groundwater:
1. *Leo & Arleta Whitmore, Payne County, #2009-503 Item withdrawn*
 2. Greg Hobbs, Kingfisher County, #2009-525
 3. Dolese Bros. Co., Oklahoma County, #2009-532
- F. Applications to Amend Temporary Permits to Use Groundwater:
1. Guilford J. & Marian E. Barnard, Victor D. & Marjorie J. Barnard and Hugh D. Barnard, Alfalfa County, #1974-207
 2. Howard & Edith Reimer and Darcy Reimer, Major County, #1983-573
- G. Applications for Regular Permits to Use Groundwater:
1. Ed F. & Betty Friesen, Okfuskee County, #2009-524
 2. Barbara F. Kenney, Cimarron County, #2009-526
 3. Duane & Sharon Meinert, Kiowa County, #2009-537
- H. Applications to Amend Regular Permits to Use Groundwater:
1. Roger & Carol Schmitz, Cimarron County, #1989-557
- I. Applications to Term Permits to Use Stream Water:
1. William S. & Brenda G. Howard, Pushmataha County, #2008-026
 2. Wayman L. Garnett, Coal County, #2009-001.
- J. Applications for Regular Permits to Use Stream Water:
1. Oklahoma State Parks – Arrowhead Golf Course, Pittsburg County, #2009-012
 3. Thomas & Sharon Snider, Washita County, #2009-015
- K. Forfeitures of Stream Water Rights:
1. Sequoyah Water Distribution Authority, Sequoyah County, #1976-111
 2. Cosner Farms, Sequoyah County, #1975-063A

3. Johnny Auffet, Sequoyah County, #1973-189
4. Doyne Hamm, Sequoyah County, #1980-199B
5. Doyne Hamm, Sequoyah County, #1984-020B
6. Bruce Abbott, Adair County, #1986-017
7. John Payne, Adair County, #1963-129
8. Tony & Barbara Smith, Haskell County, #1996-005
9. Preston Kelley, LeFlore County, #1992-013

L. Well Driller and Pump Installer Licensing:

1. New Licenses, Accompanying Operator Certificates and Activities:

- | | | |
|---|---|----------|
| a. Licensee: | K-2 Construction | DPC-0785 |
| 1. Operator: | Duane A. Crawford | OP-1716 |
| Activities: | Heat exchange wells | |
| b. Licensee: | Wyrick's Plumbing, Heat & Air | DPC-0787 |
| 1. Operator: | John Wyrick | OP-1717 |
| Activities: | Pump installation | |
| c. Licensee: | Sahara Water Services, LLC | DPC-0781 |
| 1. Operator: | Jeffery D. Schulz | OP-1707 |
| Activities: | Pump installation | |
| 2. New Operators for Existing Licenses: | | |
| a. Licensee: | Henkle Drilling & Supply, Inc. | DPC-0099 |
| 1. Operator: | Dale Guinn | OP-1713 |
| Activities: | Groundwater wells, test holes and observation wells | |
| 2. Operator: | Gerardo Santos | OP-1714 |
| Activities: | Groundwater wells, test holes and observation wells | |
| 3. Operator: | Miguel Camerena | OP-1715 |
| Activities: | Groundwater wells, test holes and observation wells | |
| b. Licensee: | Benham Companies | DPC-0313 |
| 1. Operator: | Terry Fisher | OP-1712 |
| Activities: | Groundwater wells, test holes and observation wells
Monitoring wells and geotechnical borings, pump installation | |
| c. Licensee: | H & H Water Well Drilling | DPC-0663 |
| 1. Operator: | Evan Hilburn | OP-1718 |
| Activities: | Groundwater wells, test holes and observation wells
Pump installation | |
| d. Licensee: | Burton Drilling, LLC | DPC-0029 |
| 1. Operator: | Dash Burton | OP-1421 |
| Activities: | Groundwater wells, test holes and observations wells | |
| e. Licensee: | Layne Western | DPC-0123 |
| 1. Operator: | Travis L. Evans | OP-1705 |
| Activities: | Pump installation | |

3. New Activity of Operators for Existing Licenses:

- | | | |
|--------------|-----------------------------|----------|
| a. Licensee: | Sunbelt Industrial Services | DPC-0701 |
| 1. Operator: | Darrin S. Stark, Sr. | OP-1552 |

Activities: Groundwater wells, test holes and observation wells

M. Dam and Reservoir Construction:

None

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

None

O. Applications for Accreditation of Floodplain Administrators:

Names of floodplain administrators to be accredited and their associated communities are individually set out in the September 8, 2009 packet of Board materials

Chairman Herrmann called for a 10 minute break.

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, provided a brief update to the members on recent activities of the planning group. He said the southwest water tour will bring a higher profile of water issues to the legislature.

Mr. Smith added that the activities through the Conservation Commission through the green reserve fund will be folded into the water plan, and he anticipated a lot of discussion and recommendations in the water plan that deals with nonpoint source implementation. He said the OCC and DEQ have been invited to provide input into portions of the plan. Chairman Herrmann said he has requested at a future meeting a presentation on OCWP by looking to the initial workplan and how we are doing relative to that workplan.

Dr. Taron mentioned that a speaker's bureau as the implementation stage approaches would be helpful.

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 presented 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.

Mr. Monte Boyce, OWRB Comptroller, addressed the members and stated the agency had not been told yet what cuts would be taken for this month, but he anticipated another 5%. He said the September deposit of the Gross Production Tax was up about \$76,000. The August report reflects 17% of the year has been completed, the agency has expended and obligated 64% of the budget and has collected 18% of the budget. There were no questions.

7. CONSIDERATION OF SUPPLEMENTAL AGENDA ITEMS, IF ANY

Chairman Herrmann stated there is a Supplemental Agenda for the Board's consideration.

A. Contracts and Agreements Recommended for Approval.

1. Joint Funding Agreement with the USGS for the continuation of the project "Streamflow monitoring of seven streamflow sites and one lake in the Upper Washita River and Cobb Creek Basins".

Mr. Nichols moved to approve the agreement with the USGS, and Mr. Drummond seconded.

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

NAY: None

ABSTAIN: None

ABSENT: None

2. Professional Services Contract with Lindsay Robertson. Mr. Smith said this is an extension of time for the existing contract. Mr. Robertson provides the input for the Tribes as a chapter in the OCWP, and there is no additional funding.

Mr. Drummond moved to approve the contract, and Mr. Fite seconded.

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

NAY: None
ABSTAIN: None
ABSENT: None

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. However, Mr. Smith updated the members on the funding for the first payment for Sardis Reservoir.

9. ADJOURNMENT

There being no further business, Chairman Herrmann adjourned the meeting of the Oklahoma Water Resources Board at 12:10 p.m. on Tuesday, September 8, 2009.

OKLAHOMA WATER RESOURCES BOARD

_____/s/_____
Rudolf J. Herrmann, Chairman

_____/s/_____
Jess Mark Nichols, Vice Chairman

_____/s/_____
Edward H. Fite

_____/s/_____
Richard Sevenoaks

_____/s/_____
Jack W. Keeley

_____/s/_____
Kenneth K. Knowles

_____/s/_____
F. Ford Drummond

_____/s/_____
Joseph E. Taron

ATTEST:

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