

OKLAHOMA WATER RESOURCES BOARD

OFFICIAL MINUTES

July 13, 2010

1. Call to Order

The regular monthly meeting of the Oklahoma Water Resources Board was called to order by Vice Chairman Jess Mark Nichols at 9:30 a.m., on July 13, 2010, in the Board Room of the Oklahoma Water Resources Board, 3800 N. Classen Boulevard, Oklahoma City, Oklahoma.

The meeting was conducted pursuant to the Oklahoma Open Meeting Law with due and proper notice provided pursuant to Sections 303 and 311 thereof. The agenda was posted on July 6, 2010, at 5:15 p.m. at the Oklahoma Water Resources Board's offices.

A. Invocation

Vice Chairman Nichols asked Mr. Ed Fite to provide the invocation. Chairman Nichols recognized Senator Don Barrington from Lawton, Oklahoma.

B. Roll Call

Board Members Present

Mark Nichols, Vice Chairman
Linda Lambert, Secretary
Marilyn Feaver
Ed Fite
Kenneth Knowles
Joe Taron

Board Members Absent

Rudy Herrmann, Chairman
Richard Sevenoaks
Ford Drummond

Staff Members Present

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

Others Present

Tom Liu, Bank of America Merrill Lynch, New York City, NY
Curt Shermire, Bank of America Merrill Lynch, New York City, NY
Keith McDonald, Well Nelson, Oklahoma City, OK
Kelly Danner, Oklahoma Municipal League, Oklahoma City, OK
Sue Thurston, Oklahoma Municipal League, Oklahoma City, OK
Ryan Chaffin, Assistant Attorney General, Oklahoma City, OK
Rebecca Poole, Oklahoma Department of Environmental Quality, Oklahoma City, OK
Vicki Reed, Oklahoma Department of Environmental Quality, Oklahoma City, OK
Gary Bush, Oklahoma Department of Environmental Quality, Oklahoma City, OK
Greg Carr, Oklahoma Department of Environmental Quality, Oklahoma City, OK
Suzanne Van Cooten, National Oceanic and Atmospheric Administration/National Severe Storms
Laboratory, Norman, OK
Amy Ford, Oklahomans for Responsible Water Policy
Gene Whatley, Oklahoma Rural Water Association, Oklahoma City, OK
Bryan Mitchell, Camp Dresser McKee, Norman, OK
John Rehring, Camp Dresser McKee, Denver, CO
Tom Caldwell, City of Broken Arrow, OK
Tom Hendrix, City of Broken Arrow, OK
Barney Campbell, City of Broken Arrow, OK
Doug Haines, City of Woodward, OK
Tyler Powell, Congressman Tom Cole, Lawton, OK
Lorraine McGee, Coyle, OK
Dave Taylor, Waurika Master Conservancy District, Waurika, OK
Mike Hall, City of Bartlesville, OK
Ed Gordon, City of Bartlesville, OK
Doug McCleary, Coyle, OK
Ben Oglesby, Municipal Finance Services, Inc., Edmond, OK
Collins Balcombe, U.S. Bureau of Reclamation, Oklahoma City, OK
Paul Hodge, Longtown Rural Water District #1, Eufaula, OK
Sue Ann Nicely, Oklahoma Municipal League, Oklahoma City, OK

C. APPROVAL OF MINUTES

Vice Chairman Nichols stated item C. is for the discussion, amendment and vote to approve the minutes of the regular meeting on June 8, 2010. Mr. Fite moved to approve the minutes of the June 8, 2010 Regular meeting as distributed, and Ms. Lambert seconded.

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

Vice Chairman Nichols asked for discussion, amendment and vote to approve the minutes of the June 11, 2010 Special Meeting.

Dr. Taron moved to approve the minutes of the June 11, 2010, Special Meeting, and Mr. Knowles seconded.

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

D. EXECUTIVE DIRECTOR'S REPORT

Mr. J.D. Strong, Interim Executive Director, addressed the members and asked Mr. Josh McClintock to update the members on any legislative activities that should be noted. Mr. McClintock stated there are interim studies he is watching, one regarding agency consolidation and one regarding the administrative rules process, none have been scheduled as yet. At the federal level, there isn't much activity other than the oil spill [in the Gulf], and the only note is that the House Appropriations Committee has rescheduled the Energy and Water markup this week, after having been delayed. It contains the Corps of Engineers and Bureau of Reclamation projects the OWRB is interested in; however, he said he didn't anticipate there would actually be projects named in the bill, but that those will be inserted in the conference committee process.

Mr. Strong said the agency has planned celebrations in honor of Mr. Mike Melton's retirement at the end of July and today is his last official Board meeting. Mr. Strong read a summary of Mike's career over his 38 years of service, and Mr. Melton spoke to the members about his remembrances of his time at the Board and its successes, his compliments to the Board members for their dedication, and his hopes for the future direction and success of the agency.

Mr. Strong said he had met with the Oklahoma Department of Wildlife Conservation to discuss ways to help one another accomplish goals in the current budget situation. He will be traveling to Alaska to attend the Western Governors' Association Wildlife Council meeting, at the expense of the WGA. During that same time, Mr. McClintock will represent Oklahoma at the Western States Water Council meeting in Nevada. The Kansas-Oklahoma Arkansas River Compact Commission will meet in Kansas on July 28.

Mr. Strong noted the distribution of an executive director's job description as part of the Board's process for advertising the vacancy and accepting applications for the executive director position. The committee is comprised of Rudy Herrmann, Mark Nichols, and Linda Lambert.

He also noted the taxpayer demand letter regarding Sardis which had been distributed, and he addressed the confusion of newsarticles regarding the Board's contact with the COE regarding the transfer. He has sent a letter to the Corps of Engineers, which was sent on June 30 characterizing conversations that have been ongoing between the COE and the OWRB.

Dr. Taron and Mr. Fite complimented Mr. Melton on his service.

2. FINANCIAL ASSISTANCE DIVISION

A. Consideration of and Possible Action on a Proposed Order Approving Emergency Grant for Longtown Rural Water & Sewer District #1, Pittsburg County. Recommended for Approval. Mr. Joe Freeman, Chief, Financial Assistance Division, stated to the member that this item is an emergency grant request for Longtown RWD&S #1 in Pittsburg County. He said in May, lightning struck the water treatment plant control center and destroyed a breaker panel and

variable speed drives on the two high service pumps which deliver water to the over-2000 customer. The grant will be used to replace the VFD's, breaker panel and other related appurtenances for a total estimated cost of \$12,500.00 and will be funded through \$1,875.00 in local funds, and the requested OWRB grant of \$10,625.00. Staff recommended approval.

Mr. Paul Hodge, District member, was present in support of the emergency grant request.

Ms. Lambert moved to approve the emergency grant to Longtown District #1, and Mr. Fite seconded.

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

B. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Bartlesville Municipal Authority, Washington County. Recommended for Approval. Mr. Freeman said the Bartlesville Municipal Authority has requested \$1.7 million to correct high infiltration and inflow problems experienced by the collection system due to the aging of the pipes. The project will include a pre-video inspection, replacing approximately 11,747 feet of sewer line and eight manholes. He said the project will be funded through the Clean Water State Revolving Fund Loan program; he noted provisions of the loan agreement. Mr. Freeman said that Bartlesville has been a long-standing customer of the Board's with currently five outstanding loans with a current principal balance of \$42 million. The BMA's debt coverage ratio is a very strong 9.75%. Staff recommended approval of the loan request.

City Manager Ed Gordon, and Director of Water Utilities Mike Hall were present in support of the loan application.

Mr. Fite moved to approved the Clean Water SRF loan application to the Bartlesville Municipal Authority, and Dr. Taron seconded.

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

C. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Woodward Municipal Authority, Woodward County. Recommended for Approval. Mr. Freeman stated to the members that the Woodward Municipal Authority has requested \$1,770,000.00 million in Drinking Water SRF loan funding to replace three wells, construct six new wells, construct 6.5 miles of 16-inch and 12-inch water lines, and two miles of 8-inch water lines, and to plug five water wells. Mr. Freeman noted provisions of the loan agreement. He said that over the last 10 years, Woodward's water connections have increased by 10% and sewer connections by 5%. Woodward has been an excellent loan customer of the Board's for several years, and its debt coverage ratio stands at 4.85 times. Staff recommended approval.

Representing Woodward was Mr. Doug Haynes, Assistant City Manager and Chief Financial Officer. Mr. Haynes said this has been a very challenging process and he thanked the OWRB Financial Assistance and Planning and Management staffs for their assistance with the project.

Mr. Knowles moved to approve the Drinking Water SRF loan to the Woodward Municipal Authority, and Dr. Taron seconded.

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

D. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Broken Arrow Municipal Authority, Tulsa County. Recommended for Approval. Mr. Freeman stated to the Board members that this item is a \$5,735,000.00 loan request from the Broken Arrow Municipal Authority. The BAM is requesting the loan to upgrade the wastewater treatment system by constructing a lift station with three 1,850 GPM pumps, 14,550 linear feet of 18" PVC force main, and 10,752 linear feet of sanitary sewer line. He said the loan will be funded through the Clean Water State Revolving Fund Loan program, and he noted provisions of the loan agreement. Broken Arrow's water and sewer connections have increased by over 25% in the last ten years, the its debt coverage ratio stands at 2.55-times. Staff recommended approval.

Mr. Tom Caldwell, Financial Director; Barney Campbell, Assistant Utilities Director; Tom Hendricks, City Engineer, and financial advisors.

Mr. Fite moved to approve the Clean Water SRF loan to the Broken Arrow Municipal Authority, and Ms. Lambert seconded.

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

E. Consideration of and Possible Action on a Proposed Order Approving FAP Funding for Waurika Lake Master Conservancy District, Jefferson County. Recommended for Approval. Mr. Freeman stated that the Waurika Master Conservancy District had requested a loan in an amount not to exceed \$30 million. The District has requested \$24 million to purchase permanent water storage rights in Lake Waurika from the US Army Corps of Engineers. Approximately \$1.5 million is to repair the intake bulkheads, and water intake gates, replacing eight stop valves at the lake pumphouse, replacing eight check valves, replacing 12 surge valves, for installing an isolation valve at each of the four pump houses, for replacing the pump control system and installing automatic switching controls. Mr. Freeman said the loan will be funded through the Board's State Loan Program Revenue Bond loan subject to review by Standard and Poor's rating service. He noted provisions of the loan agreement. The District is composed of Lawton, Duncan, Comanche, Waurika, Walters and Temple; over 90% of the district customers is Lawton and Duncan citizens. The District's current senior lien debt coverage ratio is approximately 2.1-times. Staff recommended approval.

Representing the WLMCD was Mr. Dave Taylor, District Manager, Mr. Keith McDonald, financial advisor, and Mr. Gary Bush, bond counsel. Senator Don Barrington was also present in support of the application.

Ms. Lambert moved to approve the loan to the Waurika Lake Master Conservancy District, and Mr. Knowles seconded.

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

F. Resolution Authorizing the Issuance of Oklahoma Water Resources Board State Loan Program Revenue Bonds, Series 2010B in Aggregate Principal Amount Not to Exceed \$30,000,000; Approving and Authorizing Execution of an Eighteenth Supplemental Bond Resolution Providing for the Issuance of Said Bonds; Waiving Competitive Bidding on the Bonds and Authorizing the Sale Thereof by Negotiation and at a Discount Pursuant to the Terms of a Contract of Purchase Pertaining Thereto; Approving a Preliminary Official Statement with Respect to Said Bonds; Directing Deposit of Proceeds Derived from the Issuance of the Bonds in the State Treasury and Requesting the State Treasurer to Remit Such Proceeds to the Bond Trustee; Ratifying and Approving the Form of Promissory Note and Loan Agreement to be Executed by Borrowers in the State Loan Program; Authorizing Execution of Such Other and Further Instruments, Certificates and Documents as May be Required for the Issuance of the Bonds; Directing Payment of Costs of Issuance and Containing Other Provisions Relating to the Issuance of the Bonds. Recommended for Approval.

Mr. Freeman stated this item is the resolution that would authorize staff to move forward on the bond issue to finance the Waurika project. Due to the attendance of six members, and the required vote is a super majority or seven votes, the matter will be withdrawn from consideration and placed on the August Board meeting agenda. He added the matter will be considered by the State Bond Oversight Commission at its July 27, 2010 meeting, contingent upon the Board's approval.

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.

Ms. Julie Cunningham, Chief, Planning and Management Division, asked that item 3.I.1. be withdrawn from consideration; TransCanada Keystone Pipeline application for stream water.

Vice Chairman Nichols asked that the Supplemental Agenda item be approved along with the Summary Disposition 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.P.

There being no further questions or discussion regarding items on the Summary

Disposition Agenda, or the Supplemental Agenda items, Vice Chairman Nichols asked for a motion.

Ms. Lambert moved to approve the Summary Disposition Agenda as amended, and Mr. Knowles seconded.

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

The following items were approved:

C. Financial Assistance Division Items:

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

<u>Item No.</u>	<u>Application No.</u>	<u>Entity Name</u>	<u>County</u>	<u>Amount Recommended</u>
ACOG				
a.	FAP-09-0014-R	Town of Coyle	Logan	\$99,875.00
ASCOG				
b.	FAP-08-0028-R	Sterling Public Works Authority	Comanche	78,030.00
EODD				
c.	FAP-09-0023-R	Dewar Public Works Authority	Okmulgee	99,999.00
GGEDA				
d.	FAP-07-0049-R	Rural Water District #4	Craig	69,600.00
INCOG				
e.	FAP-09-0013-R	City of Oilton	Creek	78,400.00
NODA				
f.	FAP-04-0071-R	Town of Covington	Garfield	68,100.00
SWODA				
g.	FAP-09-0005-R	Carter Utilities Authority	Beckham	58,000.00

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

1. Memorandum Agreement with Grand River Dam Authority and USGS for water monitoring and data collection.
2. Second Amended Professional Services Contract for Time Extension with Lindsay Robertson.
3. Professional Services Contract with Emily Meazell.
4. Contract with Grand River Dam Authority for Dissolved Oxygen Monitoring and Data Collection.

5. Interagency Agreement with Oklahoma Department of Agriculture, Food and Forestry for collecting groundwater samples at monitoring wells of licensed managed feeding operations.
 6. Third Amended Agreement with Charles T. Dumars.
 7. Contract with Oklahoma Rural Water Association to provide workshops for study and instruction of rural water district and corporation board members.
 8. Interagency Agreement with the Oklahoma Department of Environmental Quality for the Drinking Water State Revolving Fund
 9. Amendment Agreement with Office of the Secretary of the Environment for the Clean Water Act FY 09/10 §604(b) Water Quality Management Planning Program CA# C6-400000-48.
- E. Applications for Temporary Permits to Use Groundwater:
1. H & H Equipment and Sales, Inc., Kingfisher County, #2010-527
- F. Applications to Amend Temporary Permits to Use Groundwater:
1. Newton Benjamin Miller and Larry D. & Marsha M. Miller, Custer County, #1981-712
 2. Alan Lynn Jones, Trustee for the A. J. Jones Trust, McIntosh County, #1997-560
- G. Applications for Regular Permits to Use Groundwater:
1. Mungle Corporation, Atoka County, #2009-547
 2. Dennis B. & Ilena M. Vernon and the William C. Ray Living Trust, Tillman County, #2010-507
 3. Jim Guy Winn, Beaver County, #2010-519
- H. Applications to Amend Regular Permits to Use Groundwater:
1. Dean & Twylah Simmons and Dean Simmons Farms, Texas County, #1974-113
 2. City of Woodward, Woodward County, #1975-866C
- I. Applications for Term Permits to Use Stream Water::
1. *TransCanada Keystone Pipeline, L.P., Noble and Payne Counties, #2010-003 Withdrawn*
- J. Applications for Regular Permits to Use Stream Water::
1. Sutter Ranch Corp., Ellis County, #2010-005
 2. Matthew N. & Lisa L. Moreland, Grant County, #2010-011
- K. Forfeitures of Stream Water Rights:
1. Gladys Fuehner, Oklahoma County, #1957-322
 2. Winnie or Grant Hedrick, Canadian County, #1953-535

3. Lenora Doak, Logan County, #1966-383
4. R. Dale Poindexter, Logan County, #1971-539
5. Hump & Eddie Lou Halsey, Logan County, #1977-142
6. Dr. William Cook, Jr., Adair County, #1983-066
7. Jack Huffmyer, Cherokee County, #1972-314
8. Tenkiller Development Co., Cherokee County, #1974-096
9. Gary Theilen, Cherokee County, #1988-030
10. Edmond Gutierrez, Canadian County, #1954-721
11. John Sukovoty, Pottawatomie County, #1966-501
12. Barby Revocable Trust "B"/Brent Barby, Beaver County, #1949-132
13. Loretta Dickson, Adair County, #1950-176
14. Everett Hodges, Delaware County, #1952-424
15. Karis Bays, Woods County, #1953-220
16. Mrs. Byron Bowles, Delaware County, #1953-286
17. First Interstate Bank of Oklahoma for Lois Virginia Singletary, Oklahoma County, #1985-028
18. Emmert Gardner, Pawnee County, #1953-211
19. Green Acres Farm, Payne County, #1962-042
20. Huston Exploration Co., Alfalfa County, #1954-903
21. Huston Exploration Co., Alfalfa County, #1965-328
22. Stanley Kolar, Oklahoma County, #1954-978
23. Oris Taylor, Logan County, #1955-421
24. W. T. Abbott, Adair County, #1964-024
25. Earl Walker Sr. Marital Trust, Creek County, #1966-155
26. A. Scott Bollenbach, Kingfisher County, #1966-640
27. Jimmy Pettit, Pottawatomie County, #1966-653
28. Gene Alfred Smith Estate, Pottawatomie County, #1966-398
29. Maryland Casualty Co., Okfuskee County, #1967-466
30. William Gibson, Okfuskee County, #1967-529
31. Robert Gentry, Pottawatomie County, #1968-318
32. John Croley, Adair County, #1971-365
33. Earl Thiems, Kingfisher County, #1972-147
34. Bernard Bennett, Caddo County, #1973-038
35. Roger Morgan, Pottawatomie County, #1973-103

L. Well Driller and Pump Installer Licensing:

1. New Licenses, Accompanying Operator Certificates and Activities:
 - a. Licensee: Raymond Teeter DPC-0804
 1. Operator: Raymond Teeter OP-1779
 - Activities: Groundwater wells, groundwater test holes and observation wells
 - b. Licensee: J & H Drilling, LLC DPC-0806
 1. Operator: Mark Hurley OP-1786
 - Activities: Monitoring wells and geotechnical borings
2. New Operators and/or Activities for Existing Licenses:

- a. Licensee: Crafton Pump Service DPC-0364
 - 1. Operator: Jeff Reynolds OP-1774
 - Activities: Pump installation
 - 2. Operator: Duane R. Bryant OP-1775
 - Activities: Pump installation
- b. Licensee: C & W Construction DPC-0528
 - Operator: Charles Madsen OP-1784
 - Activities: Pump installation
 - 2. Operator: Tyson Stone OP-1785
 - Activities: Pump installation
- c. Licensee: S & S Pump Service DPC-0726
 - 1. Operator: Jake Sullivan OP-1778
 - Activities: Pump installation
- d. Licensee: B & H Construction DPC-0765
 - 1. Operator: James Crawford OP-1781
 - Activities: Heat exchange wells
 - 2. Operator: Stephen Crossland OP-1782
 - Activities: Heat exchange wells
 - 3. Operator: Kevin Wilson OP-1783
 - Activities: Heat exchange wells
- e. Licensee: Mohawk Drilling, Inc. DPC-0583
 - 1. Operator: Erik Christian OP-1769
 - Activities: Monitoring wells and geotechnical borings

M. Dam and Reservoir Construction:

- 1. Pontotoc County Conservation District, Pontotoc County, #OK01284

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 July 13, 2010 packet of Board materials

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

A. Update Report on Oklahoma Comprehensive Water Plan Activities. Mr. Kyle Arthur, Director of Planning, began by commenting about Mr. Melton's career in water planning, and the first 1980 plan, and stated his appreciation for Mr. Melton's great stories and tidbits of history. Mr. Arthur said that his presentation today regards two of the latest work products, the Marginal Quality Water Workgroup and the Recharge Workgroup formed under two separate pieces of

legislation from the 2008 session, authored by Senator Susan Paddock. He said in early 2009 the groups were formed and began to address the issues outlined in the statutes. The groups are collaborative, and have employed expert technical evaluation and include input from the public and other groups and stakeholders. He said that clearly, the final report as presented to the legislation will contain much more detail than what will be presented. He will make an overview, and Mr. John Rehring and Mr. Bryan Mitchell of CDM will make comments today.

Mr. Arthur said that broadly, the Marginal Quality Water (MQW) workgroup looked at, "How can we use MQW supplies to meet future needs." And, regarding the Recharge group, "How can we increase the reliability of Oklahoma's groundwater resources and those users that rely upon our groundwater resources." It is important to note the analyses that took place, under the broad umbrella of the water plan--they are not separate efforts, but are a part of the plan. He explained supply and demand analyses that were addressed through each group, and in particular the use of the gap tool with the MQW. He noted the specific legislation and the definition needed to determine MQW waters: potential sources of marginal quality water, the quality of the source water, the quantity that exists, and the constraints on its use. Secondly, the group assessed the potential for good fits for the marginal quality water supply versus the projected demand and gap. Regarding aquifer recharge, sites were screened by the workgroup so that if the federal government or some other local entity wanted to invest money in a recharge project, where would be the best places to go. He discussed the process for statewide assessment, consideration of supply and demand, and potential to be supplemented by recharge, recommendation for the demonstration phase, and ultimately integration into the Oklahoma Comprehensive Water Plan. He noted group membership, and participation which was collaborative and included expert technical evaluation.

Mr. Arthur reviewed the purpose and membership of the Marginal Quality Water Workgroup, the process for identifying sources, and determining how to best use those supplies to the benefit of Oklahoma citizens. He asked Mr. John Rehring to describe in detail the process the workgroup utilized to come to the draft final report. Mr. Rehring said the group identified five categories of marginal quality source waters: treated waste water effluent (re-use), stormwater runoff, brackish groundwater and streamwater, flowback and produced water from oil and gas operations, and water with key parameters over identified thresholds--certain constituents above a certain level that would cause public water supply providers to utilize advanced treatments. He said the group then identified potential uses and relative reliability, located areas using the gap tool for each basin, compared sources and uses with each category on a statewide basis (which he illustrated with the use of basin maps and colored areas showing demand, uses, and geographic areas), and made conclusions and recommendations.

Mr. Arthur spoke to the members about the recharge group analyses of supply and demand, and identifying site specific demonstration projects, noted Phase I is to identify potential site, and Phase 2 is to implement the project. He said beginning with 57 potential sites, the group implemented a screening process and he then asked Mr. Bryan Mitchell to explain the group's work and arrival at the draft final recommendations of three sites: Ada/Arbuckle Simpson; Eakley/Rush Springs; and Woodward/North Canadian Alluvium, and two alternate sites of Durant/Antlers, and Enid/Enid Isolated Terrace. He concluded the presentation.

Ms. Lambert asked about the availability of the Town Hall report, and Mr. Arthur stated that report is due this month. There were no other questions by the Board members.

B. Update on the Beneficial Use Monitoring Program. Mr. Derek Smithee, Chief, Water Quality Programs Division, stated to the members that this foundational program often is overlooked; programs don't just happen, but people make it happen, and he introduced Mr. Bill Cauthron who the recognized Mr. Monte Porter and Ms. Julie Chambers, the OWRB employees that manage the State's Beneficial Use Monitoring Program. Mr. Cauthron said today's presentation would be made in three parts: he would discuss the history of the program, Mr. Porter will discuss monitoring streams and lakes, and Ms. Chambers will discuss this year's BUMP report.

Mr. Cauthron said the State's BUMP program was conceived and established in 1998 by the State Legislature as a result of determining state waters listed on the 303(d) and 305(b) reports, and also because there was a need to standardize the use support assessment protocols for what is acceptable data. The technical infrastructure was built to meet short and long-term goals for the program. He said trend monitoring is a value-added feature and was initiated by the OWRB staff; he described the three core monitoring initiatives of the program.

The OWRB historically conducted a lakes sampling program as part of the 314 Clean Lakes program funded by the USEPA since the late 1970s. In 1994 the federal program was discontinued and funding was sought to continue to the lakes monitoring.

Mr. Monty Porter spoke to the members about the goals of the streams and lakes monitoring program, in terms of assessment needs. There are three programs in BUMP: statewide fixed station stream/rivers monitoring that includes 91 sites, 130 lakes sampled on a three-year rotation, four times a year. The statewide probalistic monitoring includes 50 streams and river sites every two years and staff is developing a program for lakes. All sampling completes a "three-legged stool" of chemical, physical, and biological parameters, which he illustrated in a PowerPoint program.

Ms. Julie Chambers introduced the online, interactive version of this year's BUMP report. She said this report is a new format, more user-friendly, primarily because the reports have become so voluminous. She demonstrated how to navigate the report to find selected information (streams and lakes), and said the data is linked to the agency's WIMS program (water information management system); there a several ways to access the data and there are also links to other agencies and reports. She talked about the future plan goals, and provided a USB drive containing the report for members to take home.

Mr. Cauthron and Mr. Smithee concluded the presentation stating staff continues to evaluate the program every year so it will operate more efficiently and productively, especially in times of tight budgeting. He recognized the monitoring staff. Mr. Smithee explained the original funding level was at \$1 million, and he talked about the current funding situation and that the agency believes quality decision-making is dependent upon quality data and is used by sectors of all water use. There are funding partners such as the US Geological Survey but staff is looking for new partners as the USGS stream gaging program funding is being reduced. Mr. Smithee concluded his remarks announcing that Oklahoma is the leader in the EPA Region 6 probalistic streams monitoring and all states personnel are trained in Oklahoma. The North American Lakes Management Society -- chaired by Ms. Chambers this year -- will be conducting its national conference in Oklahoma City in November.

Mr. Strong added the BUMP program is critically important to all water management in Oklahoma. Many times people forget its importance, and he fears that's the cause of waning resources. He said the BUMP program was founded largely due to the result of Governor

Keating's Animal Waste Task Force that recognized major decisions were being made without the data to support those decisions. The program is critically important to the state and the agency will continue to educate people to bring the original level of funding (dependent upon state funding) back up to the beginning level. Ms. Lambert suggested State Legislators, mayors and other officials be provided the USB drive containing the report for better education of the agency's work and importance of BUMP. There was discussion about how to better inform all water users of the importance of supporting the monitoring program.

Vice Chairman Nichols complimented the Water Quality Staff for its work.

5. SPECIAL CONSIDERATION

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

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

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

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

6. PRESENTATION OF AGENCY BUDGET REPORT.

Ms. Leslie Nance stated to the members the budget-to-actual FY 2010 budget report is in the notebook for FY'2010, and should be closed out by September. Regarding FY'2011, she said the agency received a 7.5% reduction in state appropriations, in addition to the 7.5% reduction received in FY 2010. She said that with lots of hard work by the Division Chiefs, a budget has been developed that will carry the agency through the fiscal year, and she is awaiting approval from the Office of State Finance. Mr. Strong added barring any additional cuts, there are no furloughs or layoffs of employees anticipated.

7. CONSIDERATION OF SUPPLEMENTAL AGENDA ITEMS, IF ANY

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

8. NEW BUSINESS

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

There were no New Business items for the Board's consideration. Mr. Nichols complimented Mr. Melton, and thanked him for his service to the State of Oklahoma.

9. ADJOURNMENT

There being no further business, Vice Chairman Nichols adjourned the meeting of the Oklahoma Water Resources Board at 11:35 a.m. on Tuesday, July 13, 2010.

OKLAHOMA WATER RESOURCES BOARD

_____/s/_____
Rudolf J. Herrmann, Chairman

_____/s/_____
Jess Mark Nichols, Vice Chairman

_____/s/_____
Edward H. Fite

_____/s/_____
Richard Sevenoaks

_____/s/_____
Marilyn Feaver

_____/s/_____
Kenneth K. Knowles

_____/s/_____
F. Ford Drummond

_____/s/_____
Joseph E. Taron

ATTEST:

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