

**OKLAHOMA WATER RESOURCES BOARD**  
**OFFICIAL MINUTES**  
**July 16, 2013**

**1. Call to Order**

The regular monthly meeting of the Oklahoma Water Resources Board was called to order by Chairman Ford Drummond at 9:30 a.m., on July 16, 2013, in the Second Floor Board Room of the Oklahoma Water Resources Board Offices, located at 3800 N. Classen Boulevard, Oklahoma City, Oklahoma.

The meeting was conducted pursuant to the Oklahoma Open Meeting Law with due and proper notice provided pursuant to Sections 303 and 311 thereof. The agenda was posted on July 12, 2013, at 3:30 p.m., at the Oklahoma Water Resources Board's offices, and provided on the agency's website.

Chairman Drummond opened the meeting welcoming the attendees, and asked that the record reflect it was at that moment raining in Altus, Oklahoma!

**A. Roll Call**

**Board Members Present**

Ford Drummond, Chairman  
Linda Lambert, Vice Chairman  
Tom Buchanan, Secretary  
Bob Drake  
Ed Fite  
Rudy Herrmann  
Richard Sevenoaks

**Board Members Absent**

Marilyn Feaver  
Jason Hitch

**Staff Members Present**

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

**Others Present**

Marla Peek, Oklahoma Farm Bureau, Oklahoma City, OK  
Lee Anna Covington, Oklahoma Farm Bureau, Oklahoma City, OK  
Joe E. Taron, Pottawatomie County Development Authority, Shawnee, OK  
Emily Summars, eCapitol, Oklahoma City, OK  
Greg Carr, Oklahoma Department of Environmental Quality, Oklahoma City, OK  
Brian McDougal, Shawnee, OK  
Doug Ray, Mayes County Rural Water District #6,  
Gene Doussett, Oklahoma Water Resources Board  
Cynthia Sementelli, City of Shawnee, OK  
Dave Taylor, Waurika Master Conservancy District, Waurika, OK  
Jim Barnett, Doerner Saunders, Oklahoma City, OK  
Deena Suddath, BancFirst, Oklahoma City, OK  
Angela Thompson, Wells Nelson, Oklahoma City, OK

**B. APPROVAL OF MINUTES**

Chairman Drummond said the draft minutes of the June 18, 2013 Regular Meeting had been distributed, and asked if there were corrections to the minutes. There were none, and Mr. Drummond stated he would entertain a motion to approve the minutes.

Mr. Herrmann moved to approve the minutes of the June 18, 2013, meeting and Mr. Drake seconded.

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

**C. EXECUTIVE DIRECTOR’S REPORT**

Mr. Strong began his report reminding the members that Mr. Josh McClintock had left the agency to return to work in the private sector. He said there had not been much legislative activity at the state level other than the House Interim Study requests that have been approved, very few involved water and water treatment; Senate Interim Studies have not been acted upon. Staff will keep the Board informed if any of the studies concerning the OWRB convene.

At the federal level, Mr. Strong stated that the Farm Bill is in play, the House passed the Energy and Water Appropriations bill appropriating money to the US Corps of Engineers, Bureau of Reclamation, and Department of Energy. The \$30.4 billion-dollar bill was roughly a ten percent cut over what was appropriated to the agencies last year, \$2.9 billion below last year’s level and \$4.1 billion below the President’s request. The Bureau of Reclamation’s Water Smart program received no funding; conversely, the Corps of Engineers received \$4.9 billion, \$100 million below the previous year and \$50 million above the President’s recommendation. The bill also prohibits finalizing guidelines on “waters of the United States” and now must be part of the rulemaking process. Mr. Sevenoaks asked about “earmarks” and Mr. Strong answered Congress is not allowing earmarks, and are struggling how to fund necessary projects that are in the National interests. Mr. Buchanan asked about the Tri-State effort and whether it is moving forward, and Mr. Strong explained the three states (Oklahoma, Kansas, and Texas)

began working together on common issues with the Corps of Engineers, in particular regarding state water plans. The States want to work with Congress to look at funding the priority recommendations listed in a state water plan in lieu of earmarks. Additionally, 75% of the water supply storage in the entire US COE system is within the three states; most of the remaining water within the system is for flood control, and navigation. Uniquely, he said our three states rely upon COE reservoirs for water supply use more than any other region of the country; therefore the effort by the states is for water supply use to have a higher priority. No redirection has occurred as yet; however, proposals are beginning to be put on the table as the WRDA bill is being drafted.

Mr. Sevenoaks asked about the final decision on the Tarrant Case and whether the 30-day review period had passed. General Counsel Jerry Barnett responded that the official judgment had been received and it is final.

Mr. Strong continued his report updating the members on the Arbuckle Simpson matter, saying that on June 27 the Oklahoma Supreme Court issued an order denying the petition for rehearing making its decision issued on April 23 final. The staff has resumed the maximum annual yield proceedings, the hearing examiner has issued an order notifying parties and providing a copy of the memorandum from the US Geological Survey which was specifically mentioned in the Supreme Court's order—allowing opportunity for the parties to review and to file responses by July 22. The order and all responses will be included into the record. Any further order and ultimate proposed order will come to the Board for consideration at a future meeting; the time table is unknown. Mr. Herrmann asked if there would be an additional hearing, and Mr. Strong answered, no; the hearing examiner is following the court's order.

Mr. Strong said the staff conducted its management retreat June 19, he met with the Iraqi delegation along with the DEQ and ORWA about interstate water disputes and other issues on June 21, and he attended the Western State Water Council 172<sup>nd</sup> meeting in Casper, WY, June 24-26. Mr. Strong spoke to the Environmental Federation of Oklahoma on June 28, the Weatherford Rotary on July 10, and attended the US Corps of Engineers' Change of Command ceremony on July 12. He said the Kansas-Oklahoma Arkansas River Commission will meet in Oklahoma City on July 24; he will participate in a WSWC Drought Workshop via webinar August 5; speak to the Oklahoma City Rotary August 6; speak to a class at the Summer Policy Institute at Tulsa University on August 7; and, provide an update to the Red River Valley Association on August 22. The next meeting of the OWRB will be August 20, 2013, at 9:30 a.m. in the OWRB Board Room, and the kickoff meeting of the Water for 2060 Advisory Council will be at 1:30 p.m. that same day in the OWRB Board Room

Mr. Strong concluded his report with the introduction of the agency's recipient of the Employee Recognition Award, Mr. Gene Doussett. He also stated that Secretary of Environment Gary Sherrer had resigned, and earlier Secretary of Energy Mike Ming had resigned, so the Governor will be combining the two cabinet posts, but no appointment has been made at this time.

#### **D. Monthly Budget Report**

Ms. Amanda Storck presented the budget report as prepared and distributed. She said the June report is the fiscal year-end report; however, there are usually a few months when bills are continuing to be paid and revenues received. She updated the members on the billing of the FY'13 contracts and is expecting about \$500,000.00. All of the FY'14 contracts are set up and the FY'14 budget has been submitted and approved. Ms. Storck introduced the agency's new budget analyst with the Office of Management and Budget, Mr. Jerrod Ballinger.

Ms. Lambert asked if the agency is caught up now, and Ms. Storck answered yes, as soon as all of the funds have been received. Mr. Buchanan asked about the \$500,000 and Ms. Storck said that is a large amount for the dam safety program (\$350,000), and from GRDA, and she anticipated it coming in soon which will show up under the federal funds category, and the OWRB revolving fund category.

Mr. Sevenoaks asked about the agency's total budgeted amount of \$16.5 but funded at two-thirds, and Ms. Storck explained some of the budgeted revenues are funds that cannot yet be "spent down" i.e., well driller's fund, which has to remain at a certain level. Likewise, the OCWP fund that hasn't been spent is reimbursement for professional services contracts that don't necessarily end at the fiscal year end but the budget has to be available if the contractor completes the work. The state fiscal year ends June 30 and the federal fiscal year ends October 30, creating a 3-month lag and the agency budgets in order to pay if the work is done early. If not, the funds are carried forward; revolving funds are non-lapsing funds. General revenue funds are the only concern for carry over, but the agency is on target and if there is a carryover, the agency may do a budget revision.

There were no other questions, and Ms. Storck concluded her report.

Mr. Strong introduced Ms. Sara Gibson, the agency's new assistant general counsel, who transferred from the Oklahoma Department of Environmental Quality.

## 2. FINANCIAL ASSISTANCE DIVISION

A. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Quinton Public Works Authority, Pittsburg County. Recommended for Approval. Mr. Joe Freeman, Chief, Financial Assistance Division, stated this item is for consideration of a \$710,000.00 loan request by the Quinton Public Works Authority located in Pittsburg County. He said Quinton is requesting the loan to refinance debt which was for the installation of approximately 31,000 feet of sewer line. The loan will be funded through the Clean Water State Revolving Loan Fund loan program, and he noted provisions of the loan agreement. By acquiring the loan through the Board, Quinton will be reducing the remaining amortization note debt by approximately 15 years and reduce its interest rate from 4.375% to the 3% range. He said it is estimated the gross savings will be around \$600,000.00, and the debt coverage ratio stands at approximately 1.7-times. Staff recommended approval.

Representing Quinton were representatives from its financial advisor Municipal Finance Services, and Mr. Nate Ellis (Public Finance Law Group), bond counsel.

Mr. Fite moved to approve the Clean Water SRF loan request to the Quinton Public Works Authority, and Mr. Herrmann seconded.

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

B. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Rural Water District No. 6, Mayes County. Recommended for Approval. Mr. Freeman stated that this item is a \$2,590,000.00 loan request from Mayes County Rural Water District No. 6. He said the District is requesting the loan to go along with \$484,650.00 from the Cherokee Nation to upgrade its water treatment plant to a 1.5 million gallon-per-day (MGD) capacity from its current capacity of 1MGD. He said the loan will be

funded through the Drinking Water State Revolving Fund loan program, and he noted provisions of the loan agreement. Mr. Freeman said the District currently has one outstanding loan with the Board, and its water connections have increased by approximately 20% over the last ten years. The District's debt coverage ratio is in excess of 2.1-times. Staff recommended approval.

Mr. Doug Ray, District Manager, was present in support of the loan request.

Ms. Lambert asked what communities are served by the District, and Mr. Ray responded the District is located in the northeastern section of the county near Grand Lake, also serving Mayes County RWD #8, and the Town of Adair. Mr. Sevenoaks asked about the grant from the Cherokee Nation which Mr. Ray said the District approached the Tribe, and the amount was based upon the population of members within the District.

There were no other questions, and Ms. Lambert moved to approve the Drinking Water SRF loan to Mayes County RWD #6, and Mr. Drake seconded.

AYE: Lambert, Drake, Fite, Sevenoaks, Herrmann, Buchanan, Drummond

NAY: None

ABSTAIN: None

ABSENT: Feaver, Hitch

C. Consideration of and Possible Action on a Proposed Order Approving Assumption of Drinking Water Loan of Pottawatomie County Development Authority by Shawnee Municipal Authority, Pottawatomie County. Recommended for Approval. Mr. Freeman explained this item is for the consideration of an assumption by Shawnee Municipal Authority of the Board's Drinking Water SRF loan to the Pottawatomie County Development Authority. The PCDA loan of approximately \$423,901.50 was obtained from the Board in November 2005 and currently has a balance of approximately \$264,650.00. The PCDA obtains treated water from Shawnee and Shawnee provides personnel for the operation of the system. The plan is the PCDA will be transferring its water distribution system to Shawnee. The Board's loan is secured with a lien on revenues from the 470 PCDA customers. Upon assumption of the loan, the loan will be secured with a lien on Shawnee's water and sewer system revenues. Shawnee's debt coverage ratio stands at a strong 2.8-times. Staff recommended approval.

Dr. Joe Taron was present on behalf of the Pottawatomie County Development Authority, as well as other representatives. He explained the request was made because the PCDA size is confined -- coupled with new guidelines from the Department of Environmental Quality and additional expenses --- it realized it would not be able to serve its customers or its debt well. He added the action follows the comprehensive water plan which encourages regionalization.

Mr. Fite moved to approve the loan assumption by Shawnee Municipal Authority, and Mr. Sevenoaks seconded.

AYE: Lambert, Drake, Fite, Sevenoaks, Herrmann, Buchanan, Drummond

NAY: None

ABSTAIN: None

ABSENT: Feaver, Hitch

Mr. Buchanan thanked Dr. Taron for his leadership.

D. Resolution Authorizing the Issuance of Oklahoma Water Resources Board State Loan Program Revenue Bonds in Aggregate Principal Amount not to Exceed \$25,000,000; at a Net Interest Cost not to Exceed Six Percent (6.0%); Approving and Authorizing Execution of a Twenty-Sixth Supplemental Bond Resolution and, if Deemed Advisable, an Additional Supplemental Bond Resolution for Each Additional Series; Providing for the Issuance of Said Bonds in One or More Series; 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; Authorizing the Chairman or Vice Chairman to Deem Preliminary Official Statements for Additional Series of Bonds Final; 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 that at the May Board meeting, the Board approved a 25<sup>th</sup> Supplemental Financial Assistance Program Bond Issue, for an amount not to exceed \$25 million. At the June Board meeting, refinancing for five loans was approved to be funded out of that issuance. Shortly thereafter, the bond market moved rather rapidly against the Board and it was no longer cost effective for three of the loans. Mr. Freeman said that \$5,460,000.00 in bonds had been successfully priced for two of the loans the previous week--Stephens County RWD #5 and McClain RWD #8. He said the resolution before the Board today will allow issuances in order to fund the other three loans if the market should improve and be beneficial for refinancing.

Mr. Freeman stated the resolution authorizes an issuance not to exceed \$25 million, the execution of a 26th Supplemental Resolution and an additional issuance if necessary. In addition, the resolution authorizes the issuance to be on a negotiated basis, authorizes the chairman or vice chairman to deem the preliminary official statements for the additional series of bonds final, and directs deposit of the proceeds with the State Treasury for remittance to BancFirst, the Board's Trustee Bank. He said the resolution also approves the promissory note and loan agreement, directs payment of the costs of issuance and authorizes other documents necessary to close the issuance. Staff recommended approval of the resolution.

Mr. Herrmann asked how the loans that were closed were funded, and Mr. Freeman answered a bond issuance will close on the 17<sup>th</sup> for \$5,460,000.00 under the resolution the Board passed in May. He said there is about \$25 million in loans to the remaining three, and \$10 million in funds. Mr. Nate Ellis explained that what was approved (in May) was not to exceed \$25 million, and there was about \$16 million of loans, three fell out leaving about \$5.5 million. And the remaining \$10 million can be picked up in this bond issue along with any other projects or refinancing opportunities that come along. Mr. Freeman added that the resolution the Board passed in May specifically stated the "25<sup>th</sup> Supplemental Resolution" and staff could not do another issuance under that resolution. Mr. Herrmann asked if the 6% interest rate is still considered competitive, and Mr. Freeman answered that is considered a parameter rate. Mr. Sevenoaks asked about information on interest rates and what the Board is offering. Mr. Freeman answered the Board follows the MMD rates, looks at other issuances and other activities, stays in contact with service providers; staff decided to make the issuance and the two financings last Tuesday. Mr. Sevenoaks asked if there would be a dramatic decrease in financings due to market concerns and Mr. Freeman said the Board has done so many refinancings he didn't anticipate bringing additional SRF refinancing to the Board. He said that under the FAP, regarding the capacity situation and conversations with Standard and Poor's, State Question 764 has been extremely helpful and staff has provided information to S&P about the State Question passing and they have requested a policy if that is to be "kicked in." He felt as a result of the call, the FAP program would be rated AAA.

Mr. Sevenoaks and Mr. Freeman talked about budgeting loan demand, the 5-year priority lists maintained by OWRB and DEQ, what is provided to First Southwest as to demand and capacity, and that there is sufficient demand for the Board's loan program. Mr. Herrmann asked about the refinancing approved for the first of October if that is still doable, and Mr. Freeman answered, yes, although the market is not as good as it was. He said rating presentations asked for

AAA ratings with the three rating agencies, which he anticipated and he felt staff would move forward with pricing the bonds August 6-7 with a closing on August 28; the bonds are callable on October 1. Staff sent letters to borrowers with loans pledged to the 2003 DWSRF and offered three options—shortening amortization with payments the same, amortization remains the same with reduced payments, or pay off the current debt—and responses were most favorable to paying off the debt, making the total about \$38-\$40 million dollars. Ms. Lambert asked about sharing of savings, and Mr. Strong cautioned the members that questions should be directed toward understanding the vote on the resolution, and she withdrew the question.

Mr. Drake moved to approve the resolution authorizing the issuance of OWRB State Loan program revenue bonds, and Ms. Lambert seconded.

There were no other questions, and Chairman Drummond called for the vote.

AYE: Lambert, Drake, Fite, Sevenoaks, Herrmann, Buchanan, Drummond

NAY: None

ABSTAIN: None

ABSENT: Feaver, Hitch

### **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 listed.**

Chairman Drummond asked if there are amendments to the Summary Disposition Agenda, and Mr. Wilkins, Assistant Chief to the Planning and Management Division, asked that items 3.E.8., Wehling Family Trust #2013-568, and item 3.I.2., Wehling Family Trust #2013-020, be withdrawn from the Board's consideration.

Mr. Buchanan asked about cases where hearings were scheduled and held, and the parties did not show. Mr. Barnett responded that has happened over the years and there had been an unusual amount within a few months, but he was confident the matters were handled procedurally correct, and for whatever reasons people were not attending to assert those objections. Mr. Strong added the drought has prompted protests on almost every application due to concerns of impacts to well, but as the hearing approaches and attorneys be needed (although not required), etc., that helps to filter through the legitimate complaints.

Mr. Sevenoaks asked about item 3.D.2., extension with USGS on the historic drought comparison. Mr. Wilkins responded that report is completed, and staff will provide copies to the members.

There being no other questions, Chairman Drummond said he would entertain a motion to approve the Summary Disposition Agenda.

Mr. Herrmann moved to approve the Summary Disposition agenda (as amended), and Mr. Buchanan seconded.

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

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>
ASCOG				
a.	FAP-09-0010-R	Medicine Park Public Works Authority	Comanche	\$33,000.00
COEDD				
b.	FAP-11-0004-R	Lone Chimney Water Association	Pawnee	99,990.00
EODD				
c.	FAP-05-0051-R	Westville Utility Authority	Adair	72,300.00
INCOG				
d.	FAP-11-0015-R	Depew Public Works Authority	Creek	81,000.00
NODA				
e.	FAP-10-0010-R	Rural Water District #6	Garfield	68,000.00
SODA				
f.	FAP-11-0037-R	Rural Water District #2	Atoka	71,500.00
SWODA				
g.	FAP-12-0003-R	Custer City Public Works Authority	Custer	99,975.00

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

1. Memorandum Agreement with USGS and Hardage Site Remedy Corporation for water monitoring and data collection.
2. No-Cost Time Extension Agreement with USGS for the program “Comparison of the Historic Drought of 2011 with Previous Droughts of the 20<sup>th</sup> Century in Oklahoma”.
3. Interagency Agreement with Oklahoma Department of Agriculture, Food and Forestry for collecting groundwater samples at licensed managed feeding operations and providing statistical review of the analyzed data from the LMFO samples.
4. Memorandum Agreement with USGS and Grand River Dam Authority for water monitoring and data collection.
5. Memorandum Agreement with USGS and Fort Cobb Reservoir Master Conservancy District for water monitoring and data collection.
6. Memorandum Agreement with USGS and City of Altus for water monitoring and data collection.

- E. Applications for Temporary Permits to Use Groundwater:
1. Matthew & Autumn Steinert, Garfield County, #2011-677
  2. Ronald L. & Pat Dalrymple, Custer County, #2013-529
  3. Bryan Kroeker Revocable Trust, Kingfisher County, #2013-536
  4. David Nault, Caddo County, #2013-551
  5. Danny & Joy Lawrence, Major County, #2013-559
  6. Oryn Treadway Sheffield Jr. & Cynthia Rene Sheffield, Love County, #2013-562
  7. Danny & Joy Lawrence, Major County, #2013-566
  8. *Wehling Family Trust II, Garfield County, #2013-568* *Item withdrawn*
- F. Applications to Amend Temporary Permits to Use Groundwater:
1. David L. & Toni C. Roland, Caddo County, #1983-548
  2. Heath & Deana Beanland, Harmon County, #1995-514
  3. Top Farm Inc., Caddo County, #1996-512
  4. Southern Hills Country Club, Tulsa County, #2002-508
- G. Applications for Regular Permits to Use Groundwater:
1. Johnnie Lynn Dixon, Custer County, #2012-648
  2. Bruce M. & Karyl L. Stewart, Tillman County, #2012-665
  3. Luckie Farms, L.L.C., Harper County, #2012-698
- H. Applications to Amend Regular Permits to Use Groundwater:
1. Mark Witt and Neal Hofferber, Texas County, #1996-599
- I. Applications for Regular Permits to Use Stream Water:
1. James L. Shelby, Grady County, #2013-018
  2. *Wehling Family Trust II, Garfield County, #2013-020* *Item withdrawn*
  3. Jesse D. Snyder, Pottawatomie County, #2013-021
- J. Applications to Amend Regular Permits to Use Stream Water:
1. Kermit Scott, Canadian County, #2011-058
- K. Applications for Seasonal Permit to Use Stream Water:
1. The Waterfowler Trust, Lincoln County, #2013-013
- L. Well Driller and Pump Installer Licensing:
1. New Licenses, Accompanying Operator Certificates and Activities:
    - a. Licensee: Fox Drilling and Pump Service DPC-0893
      1. Operator: Ocie H. Fuchs OP-1141
        - Activities: Groundwater wells, groundwater test holes and observation wells;
        - Monitoring wells and geotechnical borings; Pump installation;
        - Heat exchange wells
  2. New Operators, Licensee Name Change, and/or Activities for Existing Licenses:
    - a. Licensee: Binkley Drilling DPC-0642
      1. Operator: Jared Hutchison OP-1990
        - Activities: Groundwater wells, groundwater test holes and observation wells;
        - Pump installation
      2. Operator: Jamie Walton OP-1989
        - Activities: Groundwater wells, groundwater test holes and observation wells;
        - Pump installation
    - b. Licensee: Layne Christensen DPC-0123
      1. Operator: William R. Sorrells OP-1993
        - Activities: Pump installation

- M. Applications for Acquisition of Assets:
  - 1. Osage County Rural Water District No. 15, Osage County, #2013-01
- 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 16, 2013 packet of Board materials.

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

- A. No items. There were no questions or items of discussion by the members.

#### **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 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 to the Special Consideration Agenda for the Board's consideration.

#### **6. ELECTION OF OFFICERS**

Chairman Ford Drummond stated it is time for the annual election of officers. He said the current officers met as an Ad Hoc Executive Committee and proposes the following slate of officers for the coming year, which he had spoken with and who agrees to serve: Rudy Herrmann, Chairman; Tom Buchanan, Vice Chairman; and Linda Lambert, Secretary.

Chairman Drummond moved the Board elect the slate of officers as proposed, and Mr. Drake seconded. There was no discussion, and Chairman Drummond called for the vote.

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

Mr. Herrmann thanked the members for the vote of confidence; he said he would work with staff to circulate proposed committee assignments and would welcome comment from the members. Mr. Sevenoaks and the members thanked Mr. Drummond for his service as Chairman.

## 7. PROPOSED EXECUTIVE SESSION

As authorized by the Oklahoma Open Meeting Act in Section 307(B)(4) of Title 25 of the Oklahoma Statutes, an executive session may be held for the purpose of confidential communications between a 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 a pending investigation, litigation or proceeding in the public interest.

*Pursuant to this provision, the Board proposes to hold an executive session for the purpose of discussing Chickasaw Nation and Choctaw Nation v. Fallin, et al., and Oklahoma Water Resources Board v. United States on behalf of the Choctaw Nation et al.*

Chairman Drummond read the statement above regarding the purpose of the Board's proposed executive session.

Statement by legal counsel advising on whether disclosure of the discussion of the litigation will seriously impair the ability of the Board and State to conduct the present and proposed litigation in the public interest.

General Counsel Jerry Barnett stated it is his advice that the disclosure of the discussion of the litigation will seriously impair the ability of the Board and State to conduct the litigation in the public interest.

**A.** Vote on whether to hold Executive Session upon determination that disclosure of the discussion of the litigation will seriously impair the ability of the Board and State to conduct the present and proposed litigation in the public interest. Before it can be held, the Executive Session must be authorized by a majority vote of a quorum of members present and such vote must be recorded.

Mr. Buchanan moved that the Board enter into Executive Session, and Ms. Lambert seconded.

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

**B. Designation of person to keep written minutes of Executive Session, if authorized.**

Chairman Drummond designated Executive Secretary Mary Schooley to keep written minutes of the Executive Session.

**C. Executive Session, if authorized.**

The Board entered Executive Session at 10:30 a.m. on Tuesday, July 16, 2013.

**Return to open meeting and possible vote or action on any matter discussed in the Executive Session.**

Mr. Drake moved that the Board return to Regular Session, and Mr. Fite seconded.  
AYE: Lambert, Drake, Fite, Sevenoaks, Herrmann, Buchanan, Drummond  
NAY: None  
ABSTAIN: None  
ABSENT: Feaver, Hitch

The Board returned to Regular Session at 10:55 a.m. on Tuesday, July 16, 2013.

**8. VOTE(S) ON POSSIBLE ACTION(S), IF ANY, RELATING TO MATTERS DISCUSSED IN EXECUTIVE SESSION IF AUTHORIZED.**

The Board did not vote on any matter discussed in Executive Session.

The doors of the meeting room were opened and members of the public invited in prior to the Board's consideration of the next item.

**9. PROPOSED EXECUTIVE SESSION**

As authorized by the Oklahoma Open Meeting Act in Section 307(B)(1) of Title 25 of the Oklahoma Statutes, an executive session may be held for the purpose of discussing the employment, hiring, appointment, promotion, demotion, disciplining or resignation of any individual salaried public officer or employee.

Pursuant to this provision, the Board proposes to hold an executive session for the purpose of discussing the employment (evaluation, possible increase in salary, and other terms and conditions of employment) of the Executive Director.

Chairman Drummond stated there is an additional proposed executive session for the purpose of discussing the salary of the Executive Director and he suggested the discussion could occur in open meeting.

Mr. Sevenoaks said the Board has always considered personnel matters in executive session. Mr. Fite asked if this is pursuant to HB 1717, and Mr. Strong indicated, no.

**A.** Vote on whether to hold Executive Session. Before it can be held, the Executive Session must be authorized by a majority vote of a quorum of members present and such vote must be recorded.

Chairman Drummond said there is a motion by Mr. Sevenoaks, and a second (Ms. Lambert) to enter executive session to discuss the Executive Director's evaluation, employment and possible increase in salary and other terms and conditions of employment. He asked General Counsel Barnett for his recommendation.

Mr. Barnett said this executive session does not require the statement like the litigation executive session does, and is discretionary with the Board.

There was no other discussion, and Chairman Drummond called for the vote.

AYE: Lambert, Drake, Fite, Sevenoaks, Herrmann, Buchanan, Drummond

NAY: None

ABSTAIN: None

ABSENT: Feaver, Hitch

**B.** Designation of person to keep written minutes of Executive Session, if authorized.

Chairman Drummond designated Executive Secretary Mary Schooley to keep written minutes of the Executive Session.

**C.** Executive Session, if authorized.

The Board entered Executive Session at 10:57 a.m. on Tuesday, July 16, 2013.

**D.** Return to open meeting.

Mr. Drake moved to return to Regular Session and Ms. Lambert seconded.

AYE: Lambert, Drake, Fite, Sevenoaks, Herrmann, Buchanan, Drummond

NAY: None

ABSTAIN: None

ABSENT: Feaver, Hitch

The Board returned to Regular Session at 11:07 a.m. on Tuesday, July 16, 2013.

The doors of the meeting room were opened and members of the public invited in prior to the Board considering the next item.

**10.** Consideration of and possible action on employment, including but not limited to evaluation of performance, increase in salary, or other change in terms and conditions of employment, of the Executive Director.

Upon returning to Regular Session, Chairman Drummond moved to increase J.D. Strong's base salary from \$100,000.00 to \$110,000.00. Ms. Lambert seconded the motion.

There was no discussion or questions, and Chairman Drummond called for the vote.

AYE: Lambert, Drake, Fite, Sevenoaks, Herrmann, Buchanan, Drummond

NAY: None

ABSTAIN: None

ABSENT: Feaver, Hitch

Mr. Strong thanked the Board. Mr. Herrmann stated the Board and the greater water community respects the work Mr. Strong is doing, the impact he is having and the approach he is taking, as well as increased duties brought on by matters such as Water for 2060.

**11. 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.

**12. ADJOURNMENT**

There being no further business, Chairman Drummond adjourned the meeting of the Oklahoma Water Resources Board at 11:08 a. m. on Tuesday, July 16, 2013.

**OKLAHOMA WATER RESOURCES BOARD**

\_\_\_\_\_/Absent\_\_\_\_\_  
Rudy Herrmann, Chairman

\_\_\_\_\_/s/\_\_\_\_\_  
Tom Buchanan, Vice Chairman

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

\_\_\_\_\_/s/\_\_\_\_\_  
F. Ford Drummond

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

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

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

\_\_\_\_\_/s/\_\_\_\_\_  
Jason W. Hitch

***ATTEST:***

\_\_\_\_\_/Absent\_\_\_\_\_  
Linda P. Lambert, Secretary  
(SEAL)