

OKLAHOMA WATER RESOURCES BOARD
OFFICIAL MINUTES
February 20, 2018

1. CALL TO ORDER

The regular monthly meeting of the Oklahoma Water Resources Board was called to order by Chairman F. Ford Drummond at 9:30 a.m., on February 20, 2018, at the offices 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 February 15, 2018, at 5:15 p.m., at the Oklahoma Water Resources Board's offices at 3800 N. Classen Boulevard, Oklahoma City, Oklahoma, and provided on the agency's website.

Chairman Drummond welcomed everyone to the February meeting of the Oklahoma Water Resources Board, and asked for the roll call of members.

A. Roll Call

Board Members Present

Ford Drummond, Chairman
Jason Hitch, Vice Chairman
Stephen Allen, Secretary
Tom Buchanan
Charles Darby
Bob Drake
Linda Lambert
Robert L. Melton
Robert Stallings

Board Members Absent

None

Staff Members Present

Julie Cunningham, Executive Director
Sara Gibson, Interim General Counsel
Cleve Pierce, Chief, Administrative Services Division
Joe Freeman, Chief, Financial Assistance Division
Kent Wilkins, Chief, Planning and Management Division
Bill Cauthron, Chief, Water Quality Programs Division
Mary Schooley, Executive Secretary

Others Present

Kelly Schwartz, Arledge & Associates, Edmond, OK
Larry Hare, Oklahoma City Water Utilities Trust, Oklahoma City, OK
Chris Browning, Oklahoma City Water Utilities Trust, Oklahoma City, OK
Sam Samandi, Oklahoma City Water Utilities Trust, Oklahoma City, OK
Eric Cowan, Bank of America Merrill Lynch, St. Louis, MO
Charlie Swinton, BancFirst, Oklahoma City, OK
Deanna Suddath, BancFirst, Oklahoma City, OK
Richard Fox, Hilltop Securities, Dallas, TX
Saba Tahmassebi, Oklahoma Department of Environmental Quality, Oklahoma City, OK
Rick Schlegel, Cardinal Engineering/Canton, Woodward, OK
Jared Davidson, Public Finance Law Group, Lawton, OK
Jim Anderson, Grand Lake Public Works Authority
Ethan Schuth, Choctaw Nation
Kaylee D. Maddy, Doerner Saunders Daniels Anderson, Oklahoma City, OK
Steven Hoffman, Oklahoma Department of Environmental Quality, Oklahoma City, OK
Marla Peek, Oklahoma Farm Bureau, Oklahoma City, OK
Dave Crutchfield, Grand Lake Public Works Authority
Michael Graves, Water Reuse, Norman, OK
Jeff Thomas, Cardinal Engineering, Oklahoma City, OK
Jennifer Wasinger, Freese and Nichols, Inc., Oklahoma City, OK
Jeff Everett, Oklahoma Gas & Electric, Oklahoma City, OK
Molly Carson, McCall, Parkhurst, Horton, LLP
Tom Elkins, Cherokee Nation, Tahlequah, OK
Trecia Hays, Oklahoma for Responsible Water Policy, Broken Bow, OK
Bodie Bachelor, Centennial Law, Duncan, OK

B. Discussion, Amendments, and Vote to Approve Official Minutes of the January 16, 2018, Regular Meeting.

Chairman Drummond thanked Vice Chairman Hitch for chairing the January meeting and asked if there were any corrections to the minutes of the January 16, 2018, regular meeting. There were no changes, and Chairman Drummond asked for a motion to approve the minutes. Mr. Hitch moved to approve the minutes of the January 16, 2018, meeting, and Mr. Darby seconded.

Chairman Drummond called for the vote.

AYE: Darby, Melton, Allen, Buchanan, Hitch, Stallings, Drake

NAY: None

ABSTAIN: Lambert, Drummond

ABSENT: None

C. Executive Director's Report

Ms. Julie Cunningham, OWRB Executive Director, welcomed everyone in attendance and began her report updating the members about drought conditions across the state. She informed the members of recent calendar events including Produced Water Workgroup discussions regarding potential transfer of produced water to the Scoop/Stack area, and evaporation technologies at two workshops held following the January meeting; Hazard Mitigation workshop held for Real Estate agents. She attended the Joint House and Senate Budget Committee hearings where she presented agency programs (report distributed) and highlighted progress on implementing the Comprehensive Water Plan, Produced Water, progress on water reuse, and effectiveness of OMES IT, and fielded questions regarding excess water, as well as infrastructure needs and areas of agency savings. The

State Legislature convened on February 5, and Ms. Cunningham stated she had met with the Leadership, Senators Fields and Allen, Representative Pfeiffer, of the Energy Committee and House and Senate A&B Committee; there are several bills are being worked through the Committees and the response has been positive concerning marginal water and capping wells up to 10,000 ppm TDS rather than 5,000 which could provide large amounts of water for oil and gas production use. Regarding maximum annual yield (MAY) determinations, the Northwest Water Action Plan group proposed legislation to phase in the implementation of a MAY in basins where only 10% of the basin is developed and permit holders could continue to use two acre-feet per acre instead of lowering their amount until such time as the basin is more developed; this could mean converting 13,000 water use permits. Staff has met with Brent Kisling and Representative Pederson; and has also met with Senator Brecheen and Senator Rader who have authored water management and planning legislation for sound practices and regional water planning, as well as authorizing and directing the OWRB to work with planning groups as funds are available.

Regarding Congressional activity, staff has met with all Oklahoma Delegation staff to present OWRB appropriation requests for 2019, and has communicated with Oklahoma Agriculture Secretary Reese and Conservation Commission Director Lam on requests for the Farm Bill for the watershed rehabilitation program for the 2,300 watershed dams across the state to dredge when sediment filled to increase capacity and working with OWRB to identify those dams that can be increased for storage capacity. She noted the President has proposed to eliminate the watershed rehabilitation program. Staff is also working with these agencies to identify areas of federal crop insurance to disincentivize wasting water when it is known a crop will not be viable. Ms. Preston's report identifies \$1.5 trillion in the President's budget for infrastructure investment although it proposes the federal government contribute 20% and the states contribute 80%; there is much support for the SRF programs and hopefully this will not change the current programs. The President has proposed a 34% budget cut for the Environmental Protection Agency, and Ms. Preston listened online to several committee hearings on water topics on infrastructure, NEPA review, and reducing the burden of regulatory analysis, and removing obstacles for the Corps of Engineers storage pricing -- the Corps is currently locked into a formula from a recent GAO pricing study making future storage costs very high.

Ms. Cunningham said the agency has a new wellness committee and newsletter, and has implemented a wellness lunch program. She noted the distributed education topics suggested by the Board members, and said the next presentation will be in May regarding the Financial Assistance Programs. Ms. Cunningham said staff is recommending cancelling the March Board Meeting; Chairman Drummond stated he and the Vice Chairman, and Mr. Drake will not be in attendance at the March meeting, and there would be a savings not to pay travel for the Board members. Ms. Lambert asked for an update regarding the announced budget cuts which Mr. Pierce will respond to during his report.

Ms. Cunningham concluded her report.

1. D. Financial Update

1. Budget Report. Mr. Cleve Pierce, Administrative Services Division Chief, addressed the members and stated the budget report for the time period ending in January, the agency has spent 52% and has 48% remaining in appropriated dollars, has spent 39% of the revolving funds leaving 61%, has spent 34% of federal budgeted dollars leaving 66%, and over all the budget remaining is 58% with 42% of the year remaining, a 3% variance from the previous year.

2. Audit Report. Mr. Pierce stated he has provided the members updates regarding the audit progress and with the water permit renewal season, much of his focus has been on cash receiving and developing a worksheet which is about 90% complete for a short term control method, and he thanked

staff for assisting with that method. Once finished, he will move to the inventory control. He said there is proposed legislation for the audit finding concerning the authorization of the 240 fund -- OWRB fee revolving fund. He said that Mr. Allen had suggested a pre-approval process in place outside of the legislation, which the General Counsel says can be done and staff is looking at options. He said it is prudent that should be in place should the legislation fail. Ms. Cunningham asked and Mr. Pierce responded that item could be brought to the Board at the April meeting. Staff is carefully considering the best option with input from Mr. Allen and Chairman Drummond. Ms. Cunningham explained that the fund expenditures are such as payroll, and there are budgeted items that could be reviewed by a committee and preapproved so the Board is aware of where that money is spent. Chairman Drummond stated the Board did not want to be in a position to have to approve routine expenditures. Mr. Pierce mentioned the OMES side is looking at the statute and assisting the OWRB.

In regard to Ms. Lambert's question about the budget reduction, Mr. Pierce stated the reduction is about 1.66% which is about \$35,000 for the agency on an annual basis, although the agency will have to make the cut in the last four months of the fiscal year. He said that will come from the REAP grant program at about \$8,000, administrative services, and water quality programs. Overall, staff is monitoring cash to ensure adequate balances and ensuring revenue is coming in timely. Ms. Lambert asked about whether there is a need for a reduction in force/agency services, and Mr. Pierce stated position are not being filled giving the agency the ability to adjust for the reduction. Ms. Cunningham added holding off on filling temporary position for the Water Quality Programs provides flexibility in personnel costs. Gross Production Tax collections are improving over last year.

There were no other questions by the members, and Mr. Pierce concluded his report.

2. FINANCIAL ASSISTANCE DIVISION

A. Consideration of and Possible Action on a Proposed Order Approving Emergency Grant for Wayne Public Works Authority, McClain County. Recommended for Approval. Mr. Joe Freeman, Chief, Financial Assistance Division, stated to the members that this item is a \$46,500.00 emergency grant request by the Wayne Public Works Authority, located in McClain County. He said the PWA had experienced several sewer backups due to damaged wastewater lines and in order to correct the problem the Authority will be replacing 350 feet of 8-inch sewer line, and reconnecting service connections. The estimated project cost is \$62,000.00 to be funded with the \$46,500.00 OWRB grant, and \$15,500.00 matching funds from the Authority. Staff recommended approval of the grant request.

There were no representatives from the Wayne Public Works Authority able to attend the meeting.

Mr. Hitch asked about "pipe bursting" to replace the pipe, and Ms. Sara Senyondo, OWRB project engineer, explained the old line is busted as a new, smaller line is pulled into the same place.

There were no other questions and Chairman Drummond stated he would entertain a motion. Mr. Darby moved to approve the emergency grant to the Wayne Public Works Authority, and Mr. Allen seconded.

AYE: Darby, Lambert, Melton, Allen, Buchanan, Hitch, Stallings, Drake, Drummond
NAY: None
ABSTAIN: None
ABSENT: None

B. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Canton Public Works Authority, Blaine County. Recommended for Approval. Mr. Freeman stated this item is for a \$399,000.00 loan request by the Canton Public Works Authority

located in Blaine County. The Authority is requesting the loan in order construct a new lift station along with 400 feet of force main which connects to the existing force main. He said the loan will be funded through the Clean Water State Revolving Fund Loan Program, and he provided details of the loan provisions; he said that Canton has been a borrower of the Board's since the 1990s. The debt coverage ratio stands at approximately 1.88-times. Staff recommended approval of the loan application.

Representing Canton was Jared Davidson, bond counsel, and Rick Schlegel, engineer. Mr. Schlegel spoke to the members on the behalf of Canton officials who were unable to attend due to icy roads. He explained the sagging line crosses the creek where if there were a failure would risk 80% of Canton's sewage flow to discharge to the North Canadian River, which comes to Oklahoma City. The line will be buried under the creek.

Ms. Lambert moved to approve the Clean Water SRF loan application to the Canton PWA, and Mr. Hitch seconded. There were no questions, and Chairman Drummond called for the vote.

AYE: Darby, Lambert, Melton, Allen, Buchanan, Hitch, Stallings, Drake, Drummond
NAY: None
ABSTAIN: None
ABSENT: None

C. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Grand Lake Public Works Authority, Delaware County. Recommended for Approval.

Mr. Freeman stated that this item is a \$700,000.00 loan request by the Grand Lake Public Works Authority located in Delaware County. The GLPWA is requesting the loan to construct a new 200-gallon per minute water well, installing approximately 1,000 feet of 4-inch water line, and 11,400 feet of 12-inch potable water line. The loan will be funded through the Board's Drinking Water State Revolving Fund Loan Program, and he noted provisions of the loan agreement. The GLPWA currently has six loans with the Board, with a combined principal balance of \$8.4 million. The Authority's water and sewer connections have increased 17% over the past 10 years, and its debt coverage ratio is 1.45-times. Staff recommended approval of the loan request.

Mr. Steve Garrett, Board Member; Jim Anderson, Manager; Mr. Don Kiser, Bond Counsel, and Mr. Dave Crutchfield, Local Counsel were present representing the Grand Lake Public Works Authority. Mr. Anderson addressed the Board and explained the project is to install a larger line from the north water plant to the south water plant. The line has been needed for some time and the GLPWA is now able to finance the project, along with the additional well. Chairman Drummond noted the area growth and asked about capacity, and Mr. Anderson stated there is plenty of capacity now with the new plant which the Board funded five years ago.

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

AYE: Darby, Lambert, Melton, Allen, Buchanan, Hitch, Stallings, Drake, Drummond
NAY: None
ABSTAIN: None
ABSENT: None

D. Consideration of and Possible Action on a Proposed Order Approving State Loan Program Revenue Bond Loan Funding Application for Waurika Public Works Authority, Jefferson County. Recommended for Approval.

Mr. Freeman stated that this item is for a \$1 million dollar loan request by the Waurika Public Works Authority located in Jefferson County. He said the loan proceeds are needed to refinance two Rural Development loans which were for construction of a water treatment plant, three water pumps, a backwash lagoon, and a 140-gallon standpipe. The loan will be funded through the State Revenue Bond Loan Program; and Mr. Freeman noted provisions of the loan

agreement. The Authority's debt coverage ratio stands at approximately 2.96-times. Staff recommended approval.

Representing Waurika was Mr. Brad Scott, Interim City Manager, Rick Smith and Chris Wolfe, Financial Advisors. Mr. Scott addressed the members and thanked the Board for the opportunity to save citizens money in the future.

Chairman Drummond asked about the savings, and Mr. Scott responded the PWA will save 8 years at \$64,000 per year or one-half million; or \$220,000 after paying more toward the loan.

There were no other questions and Chairman Drummond called for a motion. Mr. Hitch moved to approve the State Loan Program loan to the Waurika Public Works Authority, and Mr. Allen seconded.

AYE: Darby, Lambert, Melton, Allen, Buchanan, Hitch, Stallings, Drake, Drummond
NAY: None
ABSTAIN: None
ABSENT: None

E. Resolution Authorizing the Issuance of Oklahoma Water Resources Board Revolving Fund Revenue Bonds – Drinking Water Program (Master Trust), in the Aggregate Principal Amount not to Exceed \$90,000,000; Approving and Authorizing Execution of a Bond Indenture Providing for the Issuance of the Bonds; Providing for the Sale and Delivery of the Bonds and Authorizing a Certificate of Determination; Waiving Competitive Bidding on the Bonds and Authorizing the Sale Thereof by Negotiation Pursuant to the Terms of a Contract of Purchase Pertaining Thereto; Approving a Preliminary Official Statement with Respect to the Bonds; 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 a resolution authorizing a new money State Revolving Fund Drinking Water bond issue which is scheduled for approval by the Bond Oversight Council on February 22. It is anticipated the issue will receive an AAA rating as well as affirmation of an AAA rating on the Board's outstanding bond issues. Pricing of the bond issue is targeted for the week of March 5 and closing on March 21. The resolution before the Board today provides for the following items: an issuance of bonds not to exceed \$90 million dollars for the Drinking Water State Revolving Fund Loan Program; authorizing execution of a bond indenture providing for the issuance; authorizing the issuance to be on a negotiated basis; provides for approval of the preliminary official statement; directs payment for the cost of issuance; and, authorizing other documents necessary to close the bond issue. Mr. Freeman stated staff recommended approval.

Representatives of the Board's Financial Advisors Rick Fox of Hilltop Security, Bond Counsel Molly Carson with McCall Parkhurst, Eric Cowan with Bank of America Merrill Lynch, Zach Robinson with BOK, and Jerry Pyle with the Underwriters Council.

Ms. Lambert asked if there is a limit to the interest rate, and Ms. Carson answered the limit is 5% and is stated in the bond issue. Chairman Drummond stated this is a rising interest rate environment and what is the expected rate, and Mr. Freeman answered it is expected to be about 3.5%. Mr. Freeman commented about the rise in interest rates.

Mr. Drake moved to approve the resolution authorizing the \$90 million Drinking Water SRF bond issue, and Mr. Darby seconded. There were no other questions and Chairman Drummond called for the vote.

AYE: Darby, Lambert, Melton, Allen, Buchanan, Hitch, Stallings, Drake, Drummond
NAY: None
ABSTAIN: None
ABSENT: None

F. Resolution Authorizing the Issuance of Oklahoma Water Resources Board State Loan Program Revenue Bonds in an Aggregate Principal Amount not to Exceed \$100,000,000; at a Net Interest Cost not to Exceed Six Percent (6.0%); Providing for the Issuance of Said Bonds in One or More Series; Approving and Authorizing Execution of a Series 2018A Supplemental Bond Resolution and, if Deemed Advisable, an Additional Supplemental Bond Resolution for Each Additional 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, Loan Agreement, and Note Purchase 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 a resolution authorizing up to \$100,000,000.00 in State Loan Program Revenue Bonds, commonly known as the FAP Loan. He said staff anticipated receiving an AAA rating on the bond issue as well as affirmation of an AAA rating on other bond FAP issues. The bond issue will be presented to the Bond Oversight Council on February 22, and the bonds will be priced the week of March 12 and closed on March 28. The resolution authorizes the following items: the issuance of bonds in one or more series; execution of the series 2018A Supplemental Bond Resolution and additional bond resolutions as necessary; provides for approval of Preliminary Official Statement; authorizes the Chairman or Vice Chairman to deem Preliminary Office Statements for additional series bonds final; directs the proceeds to be deposited in the State Treasury and then remitted to BancFirst, the Board's Trustee Bank. Mr. Freeman continued, the resolution ratifies the form of the Promissory Note, Loan Agreement, and Note Purchase Agreement; authorizing execution of other documents required for the issuance of the bonds; and, directs payments for the cost of issuance. Mr. Freeman stated staff recommended approval.

Mr. Zach Robinson, BOK Financial Securities, and Jacob Batchelor, Centennial Law Group were present.

Chairman Drummond asked about the demand for these products and Mr. Freeman responded that staff will request approval for a \$100 million bond issue, then issue bonds throughout the year. The first issue will fund a loan for Wagoner County Rural Water District #4, and for Waurika PWA approved today. On the FAP, all potential refinancing has been done and so these bonds would be for loans for new money projects that would not be funded through the SRF programs. The borrowers are identified prior to the bond issue. Ms. Lambert asked about the demand for purchasing the bonds. Mr. Robinson addressed the question answering staff is making that determination following changes to the tax code, and supply has not been significant this year. He said investors respond depending upon the issuance, timing, and yield and he expected a mixture of investors on this issue, particularly traditional retail; staff creates a couponing structure that maximizes the demand for the investor that is thought to want the bonds.

Chairman Drummond asked if there were other questions. There were none, and Mr. Allen moved to approve the resolution authorizing the \$100 million FAP loan program bond issue, and Mr. Hitch seconded. Chairman Drummond called for the vote.

AYE: Darby, Lambert, Melton, Allen, Buchanan, Hitch, Stallings, Drake, Drummond
NAY: None
ABSTAIN: None
ABSENT: None

G. Report of the January 16, 2018 Board Audit Committee Meeting Including Oklahoma Water Resources Board State Loan Program Revenue Bonds and Clean Water State Revolving Fund Program (CWSRF) Financial Statements as of June 30, 2017 and 2016, Audits of the CWSRF Administrative Fund and the Drinking Water Treatment Loan Administrative Fund as of June 30, 2017 and 2016.

Mr. Freeman stated this item is for a report of the Board's Audit Committee which met following last month's board meeting. Members of the Committee are Mr. Hitch, Mr. Darby, and Mr. Drummond, and the agenda of the meeting included: review of the audit management letter from Arledge and Associates; review of EPA's evaluation of the SRF program; discussion of the arbitrage rebate reports which are all current and in good standing; review of borrowers annual debt coverage ratio report with 90% of borrowers meeting requirements; and review of documents submitted to Municipal Securities Rule Making Board for secondary market disclosure, the rating agencies and certain service providers. Mr. Freeman reported the loan report documentation exception percentage at the end of November was 5.35% (which documents he named), which is the lowest exception percentage since the beginning of the program. Mr. Freeman also reported the Board does not have any loan payment defaults in any of the three loan programs; the debt service coverage balances were reviewed as well as the Board's investment portfolio, and brief discussion of the Standby Bond Purchasing Agreement with State Street Bank of Boston on the variable rate debt. Additionally, the Committee reviewed the Hilltop Securities capacity models. Mr. Freeman said that as the fiscal 2017 year ended, combined loan program assets stood at \$1,521,455,000.00, a decrease of approximately \$4.8 million from fiscal year end 2016, and total outstanding loans are \$1,197,000,000.00, an increase of \$52.7 million over prior year. He added that during the fiscal year 2017, the Board's net position increased from \$10,990,000.00 to \$651,240,000.00. Mr. Freeman introduced Mr. Kelly Schwartz with Arledge and Associates who presented the audit findings.

Mr. Schwartz addressed the members and referred to the distributed, written report. He reviewed the 2017 audit report summary beginning with page two of the report and noting the four bullets describing the scope of the audits performed for FY-2017: 1986 General Bond Resolution State Loan Program, 2016 General Bond Resolution State Loan Program, Clean Water State Revolving Fund (SRF), and Administrative Funds (Clean Water and Drinking Water SRF). He said there were no changes in financial reporting requirements, and he reviewed the results of the audits and financial highlights compared to FY2016 which included:

(1) 1986 GBR State Loan Program is an unmodified report with no laws or regulations violations and no internal control finding, total assets, total liabilities and net position of \$24.5 million and total interest income, interest expense, other expense remain consistent with prior year indicating a trend down as debt was paid, and transfer out of \$5.3 million represents funding the debt reserve, resulting in a net change of \$5.3 million;

(2) 2016 GBR State Loan Program is an unmodified report with no laws or regulations violations and no internal control finding, total assets, total liabilities and net position of \$5 million and total interest income, interest expense, other expense remain consistent with prior year indicating a trend down as debt was paid, and transfer in of \$5 million from the 1986 series;

(3) State Revolving Fund (Clean Water) is an unmodified report with no laws or regulations violations and no internal control finding, under the Uniform Guidance Report also noted no violations to the Capitalization Grant program. Total assets, total liabilities and net position of \$363 million, and total interest income, federal grant, principal forgiveness, interest expense, other expense closing the year with an increase of \$5.6 million in the net position of the program; and

(4) Clean Water and Drinking Water Administrative Funds yielded an unmodified report on both entities with no laws and regulations violations or internal control findings. For the CWSRF total assets, total liabilities, and net position of \$3.9 million and total admin fee revenue, total interest income, other operating expense and transfer out realized a net position of \$823,000. For the DWSRF

total assets, total liabilities, and net position of \$8.8 million and total admin fee revenue, total interest income, other operating expense and transfer out realized a \$1.2 million net position.

Mr. Schwartz concluded his report stating all opinions had no controls or other findings related to the financial statements, there were no issues with management or issues with obtaining information necessary to perform the audit.

Chairman Drummond asked for questions. Ms. Lambert asked if unmodified is the same as unqualified and Mr. Schwartz answered, yes. Mr. Hitch commented the audit was a very clean, very good report as expected. Mr. Darby stated he was very impressed with the Financial Assistance Division with the level of detail and he was very confident in the staff which is the result of the Board's AAA rating.

Chairman Drummond thanked Mr. Freeman and Mr. Schwartz for the report. (see report)

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 total interest income, interest expense, other expense 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 Summary Disposition Agenda.

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

Chairman Drummond asked if there were actions regarding items on the Summary Disposition Agenda. There were no changes or questions by members, and Chairman Drummond asked for a motion to approve the Summary Disposition Agenda.

Mr. Hitch moved to approve the Summary Disposition Agenda, and Mr. Darby seconded. Chairman Drummond called for the vote.

AYE: Darby, Lambert, Melton, Allen, Buchanan, Hitch, Stallings, Drake, Drummond
NAY: None
ABSTAIN: None
ABSENT: None

The following items were approved:

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

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

<u>Item No.</u>	<u>Application No.</u>	<u>Entity Name</u>	<u>County</u>	<u>Amount Recommended</u>
EODD				
a.	FAP-18-0014-R	Rural Water District #21	Okmulgee	\$60,000.00
SWODA				
b.	FAP-16-0008-R	Duke Municipal Authority	Jackson	98,000.00

- D. Consideration of and Possible Action on Contracts and Agreements:
1. Agreement between OWRB and the Oklahoma Ground Water Association for the oversight of continuing education of Well Drillers and Pump Installers.
 2. Amendment to Professional Engineering Services Agreement between OWRB and Lynker Technologies to add additional tasks and associated payment for updates to OWRB's North Fork of the Red River CRAM model.
 3. Contract between OWRB and Oklahoma Floodplain Managers Associations, Inc., to publish informational materials to educate the public, floodplain managers and administrators on flood hazards and the reduction of these hazards.
- E. Consideration of and Possible Action on Applications for Temporary Permits to Use Groundwater:
1. Perry & Karen Castonguay, Blaine County, #2017-535
 2. Roger Eugene & Susan Beth Post, Kingfisher County, #2017-540
 3. Gulfport MidCon LLC, Grady County, #2017-545
 4. Joe Bob & Melinda Stump, Woodward County, #2017-549
 5. Peggy S. Hughes Revocable Trust, Wagoner County, #2017-551
 6. Darrell Jantz, Garfield County, #2017-556
 7. Western Sky Farms, LLC, Payne County, #2017-577
- F. Consideration of and Possible Action on Applications to Amend Temporary Permits to Use Groundwater:
1. Continental Carbon Co., Kay County, #2016-513
- G. Consideration of and Possible Action on Applications for Regular Permits to Use Groundwater:
1. No Water Farms, LLC, Cimarron County, #2017-541
 2. Jevon & Crystal West, Custer County, #2017-555
 3. Otter Creek Farms, LLC, Tillman County, #2017-566
- H. Consideration of and Possible Action on Applications to Amend Regular Permits to Use Groundwater:
1. Connie L. Henry, Custer County, #1994-510
 2. Grewell Family, LLC, Texas County, #1999-545
 3. Boaldin Family, LLC, Texas County, #2015-605
- I. Consideration of and Possible Action on Applications for Regular Permits to Use Stream Water:
1. Matthew N. & Lisa L. Moreland, Kay County, #2014-055
 2. Matthew N. & Lisa L. Moreland, Kay County, #2014-056
 3. Matt Moreland, Kay County, #2014-057
 4. Matthew N. & Lisa L. Moreland, Grant County, #2014-058
 5. Wooderson Farms, Kay County, #2014-059
 6. Wooderson Farms, Kay County, #2014-060
 7. Wooderson Farms, Kay County, #2014-061
 8. Roger E. Post and Justin R. Post, Kingfisher County, #2017-035
 9. Clayton Fisher, Blaine County, #2017-039
 10. Oklahoma Energy Acquisitions, LP, Kingfisher County, #2017-051
- J. Consideration of and Possible Action on Applications for Term Permits to Use Stream Water:
1. James F. & Judith H. Grellner, Kingfisher County, #2017-037
 2. James F. & Judith H. Grellner, Kingfisher County, #2017-056
 3. James F. & Judith H. Grellner, Kingfisher County, #2017-057

- K. Consideration of and Possible Action on Applications to Amend Vested Right to Use Stream Water:
 - 1. David Olie Hale, Grady County, #1959-056

- L. Consideration of and Possible Action on Dam and Reservoir Construction:
 - 1. Oklahoma City Water Utilities Trust (Atoka), Atoka County, #OK00092
 - 2. Logan County Conservation District (Omega), Logan County, #OK11014

- M. Consideration of and Possible Action on Well Driller and Pump Installer Licensing:
 - 1. New Operators, Licensee Name Change, and/or Activities for Existing Licenses
 - a. Licensee: Hedrick Drilling DPC-0096
 - 1. Operator: Bryan Hedrick OP-2223
 - b. Licensee: Associated Environmental Industries DPC-0269
 - 1. Operator: Adam Arms OP-2224

- N. Consideration and Possible Action on Proposed Resolution Appointing Persons to Serve as Members of the Well Driller and Pump Installers Advisory Council:
Names of persons to serve as members are individually set out in the February 20, 2018 packet of Board materials.

- O. Consideration of and Possible Action on Permit Applications for Proposed Development on State Owned or Operated Property within Floodplain Areas:
 - 1. Oklahoma Department of Transportation, Beckham County, #FP-17-57
 - 2. Oklahoma Department of Transportation, Osage County, #FP-17-58

- P. Consideration of and Possible Action on Applications for Accreditation of Floodplain Administrators:
 - 1. Ryan M. Conner, City of Blanchard, FPA-731
 - 2. Marcus N. Cunningham, City of Checotah, FPA-732
 - 3. Gene E. Winsett, City of Chickasha, FPA-733
 - 4. David W. Clapsaddle, City of Guymon, FPA-734
 - 5. Brian D. Scribner, City of Healdton, FPA-735
 - 6. Jane L. Thomas, City of Newkirk, FPA-736
 - 7. David B. Hewitt, City of Nowata, FPA-737
 - 8. Kevin W. Wofford, City of Vinita, FPA-738
 - 9. Rachael J. Cooper, Wagoner County, FPA-739
 - 10. Kesto S. Simpson, City of Walters, FPA-740

4. VOTING ON PROPOSED NEW AND AMENDED PERMANENT RULES OF THE BOARD **Chairman Drummond**

At the January 16, 2018, meeting the Board conducted a public hearing on the proposed new and amended permanent rules as presented by staff, and accepted public comment. No action was taken by the Board.

Chairman Drummond stated at this meeting, the Board will consider any changes to the proposed rules as a result of the comments received.

- A. Rules Amendments Recommended for Adoption in Chapter 5 - Fees
 - 1. Summary. Mr. Kent Wilkins, Chief, Planning and Management Division, stated he would entertain any question by Members regarding the rules, but he would only present the changes

that have been made to Chapter 5 and Chapter 32. Mr. Wilkins stated no comments were received on the Chapter 5 fees; therefore, no changes were made to Chapter 5.

Subchapter 1. General Provisions

- 785:5-1-1. Purpose [AMENDED]
- 785:5-1-2. Definitions [AMENDED]
- 785:5-1-3. Board to charge and collect fees [AMENDED]
- 785:5-1-6. Stream water permit application and administration fees [AMENDED]
- 785:5-1-7. Watercourse reclamation permit fee [REVOKED]
- 785:5-1-10. Groundwater application and administration fees [AMENDED]
- 785:5-1-14. Stream Water and Groundwater petition fees [AMENDED]
- 785:5-1-15. Fees for reproduction, maps and publications [AMENDED]
- 785:5-1-16. Fees required in other matters [AMENDED]
- 785:5-1-17. Loan application fees [AMENDED]
- 785:5-1-19. Request for Water Quality Standards site specific criteria fee [NEW]
- 785:5-1-20. Aquifer storage and recovery permit fees [NEW]

2. Questions and Discussion by Board Members. There were no questions by Board members.

3. Vote on whether to approve recommended amendments as presented or as may be revised after discussions. Chairman Drummond asked for a motion to approve the recommended changes to Chapter 5.

Mr. Stallings moved to approve the recommended amendments to Chapter 5, and Mr. Drake seconded. There were no questions or comments by Members, and Chairman Drummond called for the vote.

AYE: Darby, Lambert, Melton, Allen, Buchanan, Hitch, Stallings, Drake,
Drummond
NAY: None
ABSTAIN: None
ABSENT: None

B. Rules Amendments Recommended for Adoption in Chapter 32 – Aquifer Storage and Recovery [NEW]

1. Summary. Mr. Kent Wilkins stated Chapter 32 is the newly proposed chapter for aquifer storage and recovery, mainly water quantity requirements. Comments were received from three entities, the Citizens for the Protection of the Arbuckle Simpson Aquifer (CPASA), Department of Environmental Quality (DEQ), and the City of Ada (Ada). Mr. Wilkins reviewed the items where changes were made based upon the comments (which are highlighted in yellow in the meeting materials). The first comment addressed from the CPASA regarded a request for clarifying language in the definition that pit water operation such as recharge and augmentation credit was not a part of an ASR activity, and the actual statute language (1020.2(g)) is in the definition that states that did not include any pit water activities as an ASR activity (32-1-2). Another question regarded whether the 9-member Board would vote to approve the site-specific recovery plan, and that language has been clarified to state that Board staff would conduct a technical review and the Board would approve the site-specific recovery plan (32-3-1). And, CPASA questioned what would happen regarding notice requirements in counties that no longer had a newspaper of general circulation, and the response is if there is no newspaper for legal notices, the District Court will designate a newspaper (32-3-6). Moving forward, Mr. Wilkins stated staff will review the most cost-effective potential for electronic notices.

Mr. Wilkins addressed the DEQ comments regarding definition request to match its title of

area of hydrologic influence to be "area of hydrologic effect" (32-1-2). The OWRB definition includes surface water and DEQ's does not, but to be consistent the change has been included in the OWRB title. The DEQ also requested that the word, "structures" replace the word "facilities" which has been done to be consistent (32-3-1).

Mr. Wilkins stated the City of Ada requested consistencies with DEQ's definition of area of hydrologic effect, and also requested changes in the site-specific storage and recovery plan. The Arbuckle Simpson Aquifer is a fractured, cavernous system and not the same as other groundwater basins and language has been included for more flexibility in the location, number, and construction of monitoring wells that will determine the amount of recharge and the amount allowed to be recovered according to the aquifer conditions (32-3-2). And also on the notice requirement, Ada felt it burdensome to notify everyone 1320ft from the outside boundary of the area hydrologic effect, and language was changed to state "only if deemed necessary by the Board", but notification is required to surface state owners located within 1320ft of the actual location of existing or proposed recharge well(s) (32-3-6). The Board has authority to require that notification.

Subchapter 1. General Provisions [NEW]

785:32-1-1. Purpose [NEW]

785:32-1-2. Definitions [NEW]

Subchapter 3. Permit Application Requirements and Processing [NEW]

785:32-3-1. Requirement for permit [NEW]

785:32-3-2. Site-specific aquifer storage and recovery plan [NEW]

785:32-3-3. Well spacing [NEW]

785:32-3-4. Fees [NEW]

785:32-3-5. Acceptance of application for filing; when applications deemed withdrawn [NEW]

785:32-3-6. Notice of application [NEW]

785:32-3-7. Approval of application [NEW]

Subchapter 5. Aquifer Storage and Recovery Permits [NEW]

785:32-5-1. Contents of permits [NEW]

785:32-5-2. Annual reports [NEW]

785:32-5-3. Cancellation or suspension of permits [NEW]

2. Questions and Discussion by Board Members. There were no questions by Board Members.

3. Vote on whether to approve recommended amendments as presented or as may be revised after discussions. Chairman Drummond stated if there were no questions, he would entertain a motion to approve the changes to Chapter 32.

Mr. Drake moved to approve the recommended amendments to Chapter 32. Mr. Drake expressed his appreciation to staff for working with the entities. Ms. Lambert seconded.

Mr. Wilkins stated there were good comments by the public, and these changes were made because of those comments. Chairman Drummond called for the vote if there were no other questions.

AYE: Darby, Lambert, Melton, Allen, Buchanan, Hitch, Stallings, Drake, Drummond

NAY: None

ABSTAIN: None

ABSENT: None

C. Rules Amendments Recommended for Adoption in Chapter 45 - Oklahoma's Water Quality Standards

1. Summary. Mr. Bill Cauthron, Chief, Water Quality Programs Division, stated to the Members that staff did not make any changes to the proposed language presented to the Board last month. He said comments were received by the U.S. Fish and Wildlife Service related to Chapter 45 and the site-specific criteria proposal concerned about the potential effect to the mussel population downstream from the site-specific criteria. However, Mr. Cauthron said City of Idabel and its consultant followed the Board's robust guidance which is consistent with EPA guidance and for that reason did not make any changes because staff believed the work that was done was sufficient.

Ms. Cunningham interjected that all the comments received on the rules have been provided in the members' meeting materials, and that staff provided great detail (page 4146).

Mr. Cauthron stated the other comments received on Chapter 45 were from the City of Ada, concerned language that was not presented to the Board and were not proposed. The issues raised are being addressed through a cooperative effort between the OWRB and DEQ and not through a rule. He asked for questions by the Board Members.

Subchapter 5. Surface Water Quality Standards

Part 5. Special Provisions

785:45-5-25. Implementation Policies for the Antidegradation Policy

Statement [AMENDED]

Subchapter 7. Groundwater Quality Standards

785:45-7-1. Scope and Applicability; Purpose [AMENDED]

Appendix E. Requirements for Development of Site-Specific Criteria for Certain Parameters [REVOKED]

Appendix E. Requirements for Development of Site-Specific Criteria for Certain Parameters [NEW]

2. Questions and Discussion by Board Members. Chairman Drummond stated Chapter 45 is the "roadmap" and Chapter 46 is the implementation. He asked if there were questions by the Members. There were no questions.

3. Vote on whether to approve recommended amendments as presented or as may be revised after discussions. Mr. Allen moved to approve the recommended amendments to Chapter 45, and Mr. Darby seconded. Chairman Drummond called for the vote.

AYE: Darby, Lambert, Melton, Allen, Buchanan, Hitch, Stallings, Drake, Drummond

NAY: None

ABSTAIN: None

ABSENT: None

Mr. Cauthron added that staff appreciated the comments by the USF&WS and its input into the process. Staff looked forward to working with the agency in the future.

D. Rules Amendments Recommended for Adoption in Chapter 46 – Implementation of Oklahoma's Water Quality Standards

1. Summary. Mr. Bill Cauthron stated staff received extensive comments regarding the recommended rules to Chapter 46 from the cities of Midwest City and Del City regarding their concerns related to the technical aspects, and moving a water body from SWS to SWSR; however, the proposed language does not actually move a water body to SWSR, but lays the framework to move the water body. He said staff believed the comments to be good and regarded issues that should be

addressed which will be done through additional work that will occur because of the language that has been proposed. The language proposed is very robust based on the technical work on water quality that must be done when a water body is moved and the technical studies outlined in the proposed language. Mr. Cauthron added comments of support were received from the City of Norman, as well as comments from the City of Ada--also related to language that was not proposed and being addressed jointly between the OWRB and DEQ. Mr. Cauthron asked for questions by the Board Members.

Chairman Drummond clarified there were no changes to Chapter 46 language as proposed; there were a lot of comments and more work to be done when there is an application for reuse. Mr. Cauthron affirmed there had been no changes, most comments concerned technical aspects that are proposed in the language, and conducting the study will address those comments.

Ms. Cunningham asked what the next step will look like, and Mr. Cauthron responded a study will have to be formed to assimilate capacity in the water body and work will be done with DEQ to outline exactly how that will happen through a guidance document. This lays the framework but there is still much work to be done which will come to the Board in the future.

Subchapter 13. Implementation of Antidegradation Policy

785:46-13-1. Applicability and scope [AMENDED]

785:46-13-4. Tier 2 protection; maintenance and protection of ~~high quality waters, sensitive water supplies, and~~ Sensitive Water Supply-Reuse and other Tier 2 waterbodies [AMENDED]

785:46-13-5. ~~Tier 3 protection; prohibition against degradation of water quality in outstanding resource waters~~ Tier 2.5 protection; maintenance and protection of high quality waters, sensitive water supplies, and other tier 2.5 waterbodies [AMENDED]

785:46-13-6. ~~Protection for Appendix B areas~~ Tier 3 protection; prohibition against degradation of water quality in outstanding resource waters [AMENDED]

785:46-13-7. Protection for Appendix B areas [NEW]

785:46-13-8. Antidegradation review in in surface waters [NEW]

2. Questions and Discussion by Board Members. Chairman Drummond asked if there were questions by the Members. There were none.

3. Vote on whether to approve recommended amendments as presented or as may be revised after discussions. Chairman Drummond stated he would entertain a motion to approve Chapter 46. Ms. Lambert moved to approve the recommended amendments to Chapter 46, and Mr. Allen seconded.

AYE: Darby, Lambert, Melton, Allen, Buchanan, Hitch, Stallings, Drake, Drummond

NAY: None

ABSTAIN: None

ABSENT: None

Chairman Drummond referred to the comments received regarding the proposed rules and contained in the meeting materials.

E. Rules Amendments Recommended for Adoption in Chapter 50 - Financial Assistance

1. Summary. Mr. Joe Freeman, Chief, Financial Assistance Division, stated that at last month's Board meeting he presented the proposals which are intended to make the rules more customer-friendly and easy to use. He said this year a product working group was created comprised of representatives of communities, service providers, and a member of each section of the Financial

Assistance Division. No comments were received on the proposed rule changes, and staff recommended approval.

Subchapter 1. General Provisions

785:50-1-2. Definitions [AMENDED]

Subchapter 5. Applications for Financial Assistance

785:50-5-1. Application form and required information [AMENDED]

785:50-5-2. Application verification and approval [AMENDED]

Subchapter 6. Water and Sewer Program Emergency Grants Requirements and Procedures [NEW]

785:50-6-1. Approval criteria [NEW]

785:50-6-2. Evaluation procedure for grant application [NEW]

785:50-6-3. Emergency grant priority point system [NEW]

785:50-6-4. Disbursement of grant funds [NEW]

Subchapter 7. Water and Sewer Program (~~Bond Proceed Loans and Emergency Grants~~ State Loan Program Revenue Bond) Requirements and Procedures

785:50-7-1. General procedures [AMENDED]

785:50-7-2. Approval criteria [AMENDED]

785:50-7-3. Evaluation procedures for grant applications [REVOKED]

785:50-7-5. Emergency grant priority point system [REVOKED]

785:50-7-7. Disbursement of funds [AMENDED]

Subchapter 8. Rural Economic Action Plan (REAP) Grant Program Requirements and Procedures

785:50-8-3. Application review and disposition [AMENDED]

Subchapter 9. Clean Water State Revolving Fund Regulations

Part 1. General Provisions

785:50-9-9. Definitions [AMENDED]

Part 3. General Program Requirements

785:50-9-21. Eligible project [AMENDED]

785:50-9-24. Intended use plan [AMENDED]

785:50-9-28. Pre-Application for funding [AMENDED]

785:50-9-29. Pre-Planning conference [REVOKED]

785:50-9-30. Planning documents [AMENDED]

785:50-9-31. Pre-Application conference [REVOKED]

785:50-9-33. Application for financial assistance [AMENDED]

785:50-9-35. Loan closing [AMENDED]

785:50-9-36. Refinancing construction loans [AMENDED]

785:50-9-37. Minimum assistance agreement conditions [REVOKED]

785:50-9-38. Construction phase [AMENDED]

785:50-9-39. Project changes [AMENDED]

785:50-9-40. Building phase submittal [REVOKED]

785:50-9-41. Progress payments [REVOKED]

785:50-9-42. Retainage [AMENDED]

785:50-9-43. Post Building phase responsibilities of the recipient [AMENDED]

785:50-9-44. Accounting [AMENDED]

785:50-9-45. Compliance with federal authorities [AMENDED]

Part 7. SRF Environmental Review Process

785:50-9-60. Requirement of environmental review [AMENDED]

785:50-9-61. Environmental information documents required by the Board [AMENDED]

785:50-9-62. Environmental impact statement review by the Board [AMENDED]

Subchapter 10. Drinking Water Treatment Revolving Loan Program Regulations

785:50-10-3. Terms and conditions [AMENDED]

Subchapter 11. Miscellaneous Provisions

785:50-11-4. Application fees [AMENDED]

785:50-11-5. Project completion, inspection and audit [AMENDED]

785:50-11-7. Approval and notification regarding certain proposed action of an eligible entity [REVOKED]

785: 50-11-10. Insurance requirements for loan recipients [AMENDED]

2. Questions and Discussion by Board Members. There were no questions by members.

3. Vote on whether to approve recommended amendments as presented or as may be revised after discussions. Chairman Drummond stated he would entertain a motion.

Mr. Drake moved to approve the recommended amendments to Chapter 50, and Mr. Darby seconded. Chairman Drummond called for the vote.

AYE: Darby, Lambert, Melton, Allen, Buchanan, Hitch, Stallings, Drake, Drummond

NAY: None

ABSTAIN: None

ABSENT: None

5. SPECIAL CONSIDERATION

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

B. Consideration of and Possible Action on Items Transferred from Summary Disposition Agenda, if any. There were no items transferred from the Summary Disposition Agenda.

6. BOARD MEMBER EDUCATION SERIES

Chairman Drummond

A. Presentation and Discussion on Oklahoma Water Resources Board Dam Safety Program

Ms. Cunningham introduced Mr. Yohanes Sugeng, Engineering Manager for the Dam Safety, Floodplain, and Well Drillers Programs, who introduced the employees working in the dam safety programs: Zach Hollandsworth, Emma Moradi, and Gene Doussett. Mr. Sugeng utilized a PowerPoint Presentation to illustrate the many components of the program. Mr. Sugeng stated staff works with the Association of State Dam Safety Officials, a national organization of which he serves on the Board as well as the technical training committee, scholarship committee, and young professionals committee. The OWRB works with other state and federal agencies, i.e., Oklahoma Conservation Commission, Natural Resource Conservation Service, and U.S. Army Corps of Engineers.

Mr. Sugeng provided a history of the dam safety program in Oklahoma which began nationally in 1972, and in Oklahoma in 1973 by rule and by law in 1992. Some Oklahoma facts are there are 55,646 miles of shoreline, 70% of dams are privately owned fully responsible for operation and maintenance, and the state has the second highest number of jurisdictional dams in the nation. The average age of a dam is 53 years, and many people are not aware they live below a dam. He said 2100 dams are classified as flood control structures, built by the NRCS and managed by state conservation

districts--45 dams are federal dams owned by the USBOR and USCOE and are not under the jurisdiction of the State. The purposes of these dams are water supply, agriculture, flood control and energy generation, pollution control, and recreation. Mr. Sugeng explained there are dam safety programs because dams fail usually from overtopping and inadequate spillways; there are three classifications for dams: low, significant, and high, and he explained the criteria for the classifications and the rate of inspection for each classification based on design criteria. Failure of high hazard dams can result in loss of life.

Mr. Sugeng explained the program's priorities -- which can change annually --including public awareness, conducting emergency action plans, and evaluating hazard potential and rehabilitation. The agency conducts five workshops annually for city officials/municipal engineers and real estate agents, as well as federal agencies, insurance companies, and dam owners. Staff also conducts free low hazard dam inspections. Ms. Cunningham added that as a result of an interim legislative study, the Board added disclosure to real estate transactions because often owners are not aware of the responsibility. Mr. Sugeng stated the emergency action plan (EAP) is based on the hazard classification and said every high hazard dam is required to have an EAP as it is based on risk not condition. The agency works with the Oklahoma Emergency Management agency, and uses digital breach inundation maps. He showed photos of residential growth around a dam and reservoir in Oklahoma over several years, and discussed breach analysis by contracting consulting engineers to determine impact of a dam breach, which he illustrated using Lake Holdenville. Mr. Sugeng discussed need for hazard reclassification and working with dam owners to meet their obligations, hydrologic analysis conducted by field visits, breach analyses scenarios, and also dams designed for flood, i.e., Hurricane Harvey, etc., and work with other agencies such as the Climatological Survey and Conservation Commission and NRCS to update information and maps.

Mr. Hitch asked if the jurisdictional determination is made by the state, or federally, and Mr. Sugeng answered that is a state-by-state determination using a guideline from FEMA and the USCOE. Different agencies have different guidelines for dams, and the OWRB follows FEMA guidelines which is 25 feet in height and impounding more than 50 acre-feet of water. Mr. Hitch also asked about nuisance laws, which Oklahoma does not have, and Ms. Cunningham said was part of the focus by the interim study. The members asked about the frequency of inspections, technical assistance provided by NRCS, the design life of a dam is 45-50 years (how much sediment a dam can hold), and Congressional funding for the state match to the OCC to conduct inspections and aid landowners in watershed dam restoration, that the state's funding for the dam safety program comes from FEMA. Mr. Stallings commented about the numerous and oil and gas pits being built today that meet the criteria and he complimented the OWRB permitting system. Mr. Buchanan commented about Lugert-Altus Reservoir and meeting federal requirements to withstand a 1000-year flood; the District is working to raise dikes an average of four feet.

Mr. Sugeng concluded his report, and Chairman Drummond thanked staff for the presentation.

7. 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.

Chairman Drummond announced the Board will not meet in March, and the next meeting will be held April 17, 2018, in Oklahoma City.

8. ADJOURNMENT

There being no further business, Chairman Drummond adjourned the meeting of the Oklahoma Water Resources Board at 11:10 a.m. on February 20, 2018.

OKLAHOMA WATER RESOURCES BOARD

_____/s/_____
F. Ford Drummond, Chairman

_____/s/_____
Jason Hitch, Vice Chairman

_____/Absent_____
Linda P. Lambert

_____/Absent_____
Tom Buchanan

_____/s/_____
Charles Darby

_____/s/_____
Bob Drake

_____/s/_____
Robert L. Melton, Sr.

_____/s/_____
Robert Stallings

ATTEST:

_____/s/_____
Stephen B. Allen, Secretary (SEAL)