

OKLAHOMA WATER RESOURCES BOARD OFFICIAL MINUTES

May 21, 2019

1. CALL TO ORDER

The regular monthly meeting of the Oklahoma Water Resources Board was called to order by Vice Chairman Stephen B. Allen at 9:30 a.m. on May 21, 2019, at the offices of the Oklahoma Water Resources Board, 3800 N. Classen Boulevard, Oklahoma City, Oklahoma, 73118. 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 May 17, 2019, at 4:15 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.

A. Roll Call. Vice Chairman Allen asked for the roll call of members.

Board Members Present

Stephen Allen, Vice Chairman
Robert L. Stallings, Jr., Secretary
Charles Darby
Bob Drake
Suzanne Landess
Matt Muller

Board Members Absent

Jennifer Castillo
Ford Drummond
Robert L. Melton

Staff Members Present

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

Others Present

Randy Worden, Central Oklahoma Master Conservancy District (COMCD), Norman, OK
Mike Wofford, Central Oklahoma Master Conservancy District (COMCD), Norman, OK
Jeff Everett, Oklahoma Gas & Electric, Oklahoma City, OK
Carly Cordell, Secretary of Energy & Environment Office, Oklahoma City, OK
Mike Mathis, Continental Resources, Oklahoma City, OK

Dean Couch, Gable Gotwals, Oklahoma City, OK
Kelly Schwartz, Arledge & Associates, PC, Edmond, OK
Roger Hugh, Broken Arrow, OK
Ben Oglesby, Municipal Finance Services, Edmond, OK
Charles Vokes, Broken Arrow, OK
Eddie Rhandour, Oklahoma Department of Environmental Quality, Oklahoma City, OK
Tom Liu, Bank of America Merrill Lynch, New York City, NY
Charlie Swinton, BancFirst, Oklahoma City, OK
Bodie Bachelor, Centennial Law Group, Duncan, OK
Tom Cook Jr., Broken Arrow, OK

Following Roll Call, Vice Chairman Allen announced the Board's newest member was present, and he invited Ms. Cunningham to introduce Ms. Suzanne Landess. Ms. Cunningham stated that the Senate had confirmed Ms. Landess who is from Guymon, Oklahoma, representing OWRB Region 1, and soil conservation water interest; she invited Ms. Landess to make comments. Ms. Landess stated she is honored and humbled to be asked to serve.

B. Discussion, Amendments, and Vote to Approve Official Minutes of the April 16, 2019, Regular Meeting. Vice Chairman Allen asked if there were any comments or proposed amendments to the minutes of the April 16, 2019, meeting minutes. There were no changes or discussion.

Mr. Darby moved to approve the minutes of the April 16, 2019, meeting, and Mr. Stallings seconded. There was no discussion. Vice Chairman Allen called for the vote.

AYE: Stallings, Muller, Drake, Darby, Landess, Allen
NAY: None
ABSTAIN: None
ABSENT: Melton, Castillo, Drummond

C. Executive Director's Report

Ms. Julie Cunningham, Executive Director, welcomed everyone in attendance, and referencing the weather, stated the members absent experienced flooding and other related issues that prevented their attendance. She stated she would be brief noting Mr. Chris Neel's presentation on the agenda regarding the Maximum Annual Yield Determination Process later in the meeting.

Ms. Cunningham reported to the members there were 24 government and non-profit organizations who participated in Water Appreciation Day at the Capitol (April 17), and she spoke to the Oklahoma Rural Water Association annual meeting that morning in Tulsa. On April 23, she attended a meeting of the Energy & Environment Cabinet Agencies, and Secretary Wagner announced Governor Stitt would be hosting an Agency Directors Summit on June 3. On April 29-30, the OWRB hosted the Red River Compact Commission annual meeting -- Oklahoma, Texas, Louisiana, and Arkansas; the meeting rotates to each state year to year. There are no controversial issues for Oklahoma; however, Arkansas and Louisiana have been working to quantify the water requirement between Arkansas and Louisiana. On May 2, the annual ScienceFest event took place -- OWRB staff Lori Johnson and Cole Perryman play a large role on the Coordinating Committee of the event that educates 5,500, 4-5 grade students that attended from across the state. Secretary of Energy & Environment attended and the OWRB has identified three water education goals.

Regarding the State legislative session, Sine Die adjournment is scheduled for May 31; the budget has been approved -- a flat budget and the agency did not lose any state appropriation which is a positive, and included the addition of funding for a small pay raise for staff. Legislation regarded the passage of the Gross Production Tax extending for another three year's funding for the maximum annual yield studies and all water planning activities in implementing the Comprehensive Water Plan. The legislative report is

included in the meeting materials. Local citizens in the Arbuckle Simpson Aquifer area are requesting funding for additional study of the water rights appropriation and impact under a phase 2 study; and, there are several measures for clean-up language regarding marginal water quality in follow up to last year's legislation authorizing appropriation of slightly saline water, as well as fresh water, providing an opportunity to use those waters (5,000-10,000 ppm TDS), i.e., oil and gas industry.

At the Federal level, Ms. Cunningham noted the House of Representatives had passed HR 2578 extending funding for the National Flood Insurance Program through September 30, 2019. There are several research grant opportunities through the SMART Energy and Water Efficiency Grant establishing a management program through the DOI for entities advancing technology-based solutions, and also the Desalination and Water Purification Research program through the Bureau of Reclamation advancing the water and energy efficiency concept.

Ms. Cunningham concluded her report. There were no questions by members.

D. Financial Update

1. Budget Report. Mr. Cleve Pierce, Administrative Services Division Chief, addressed the members and stated the budget report is for the time period ending April 2019. He said for the time period the agency has spent 79% of the appropriated budget leaving 21%, has spent 55% of the revolving funds leaving 45% of budgeted funds, and has spent 46% of the federal dollars leaving 54%. Overall, 40% of the total budget remains with 17% of the year remaining compared to last year at this time when the agency had 39% of the budget remaining, keeping the budget within the 1-2% range.

Mr. Pierce concluded his report stating the divisions are working on their budget for next year; additional revenue had been provided to cover some salary increases anticipated to be about \$115,000.00. Vice Chairman Allen asked if there were any anticipated expenditures to be concerned about staying within the budget, and Mr. Pierce answered the IT expenses always increase which he expected from OMES. There were no other questions by members.

2. **FINANCIAL ASSISTANCE DIVISION**

A. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Central Oklahoma Master Conservancy District, Cleveland County. Recommended for Approval. Mr. Joe Freeman, Chief, Financial Assistance Division, stated to the members that this item is an \$11 million loan request from the Central Oklahoma Master Conservancy District that provides water from Lake Thunderbird to Norman, Midwest City, and Del City. The District is requesting the loan in order to replace 5 miles of 53-year old water lines. The loan will be funded through the Drinking Water State Revolving Loan Fund Program, and Mr. Freeman noted provisions of the loan agreement. The District has been a borrower of the Board's for approximately 10 years and has one outstanding loan with the Board with a principal balance of approximately \$709,000.00; the debt coverage ratio stands at approximately 1.81-times. Staff recommended approval of the loan request.

Representing the COMCD was Mr. Randy Worden, District Manager, who expressed his appreciation to the Board for consideration of the loan request for the much needed project, and he thanked the Board's staff for their assistance in preparation of the loan.

Mr. Muller expressed interest in the cost of the project, and Mr. Worden said the expense is related to borings through front and back yards, it is 24-inch diameter pipe, and the District will not be borrowing the full amount as the bids came in much less.

There were no other questions and Vice Chairman Allen stated he would entertain a motion.

Mr. Stallings moved to approve the DWSRF loan to the COMCD, and Mr. Darby seconded. Vice Chairman Allen called for the vote.

AYE: Stallings, Muller, Drake, Darby, Landess, Allen

NAY: None

ABSTAIN: None
ABSENT: Melton, Castillo, Drummond

B. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Broken Arrow Municipal Authority, Tulsa County. Recommended for Approval. Mr. Freeman stated to the members that this item is for the consideration of a \$11,415,000.00 Clean Water State Revolving Loan Fund Program loan request to make improvements to the Haikey Creek Wastewater Treatment Plant. The loan will fund construction of the concrete structure adjacent to the existing headworks to receive screened and de-gritted wastewater, a concrete building to house blowers, a junction box, and installation of four new aeration basins. Mr. Freeman stated the loan will be funded through the CWSRF loan program, and he noted provisions of the loan agreement. The Authority's water connections have increased by 11% in the last ten years, and sewer connections by 14% in the same time period. The debt coverage ratio stands at 2.32-times. Staff recommended approval of the CWSRF loan request.

Mr. Tom Cook, Mr. Roger Hughes, and Mr. Charles Vokes were present in support of the loan request. Mr. Cook expressed the Authority's appreciation of the Board's consideration of the loan request. Broken Arrow has a long history with the OWRB which he is extremely grateful for, as well as opportunities it has afforded the Authority.

Mr. Muller asked the main purpose of the projects -- increase in demand, or water quality. Mr. Hughes responded stating the system is obsolete. There were no other questions.

Mr. Drake moved to approve the CWSRF loan to the Broken Arrow Municipal Authority, and Mr. Stallings seconded. There were no questions, and Vice Chairman Allen called for the vote.

AYE: Stallings, Muller, Drake, Darby, Landess, Allen
NAY: None
ABSTAIN: None
ABSENT: Melton, Castillo, Drummond

C. Report of the April 16, 2019 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, 2018 and 2017, Audits of the CWSRF Administrative Fund and the Drinking Water Treatment Loan Administrative Fund as of June 30, 2018 and 2017. Mr. Joe Freeman said the Board's Ad Hoc Audit Committee met following the April Board meeting; members are Mr. Darby, Mr. Hitch and Mr. Drummond. The agenda of the meeting included: (1) review of the Auditor's Management Letter (Arledge & Associates), and the EPA annual evaluation of the SRF program; (2) review of arbitrage rebate reports and determined they are current; (3) review of borrowers annual audited debt coverage ratio report, determining that 94% of borrowers are meeting the debt coverage ratio requirements as of the last audit; (4) review of the updated continuing disclosure policy and standard operating procedures for disclosure; and (5) report of loan documents exceptions outstanding at the end of March is 7.67%. Borrower loan agreement items i.e., borrowers maintaining property insurance, fidelity bond coverage, liability insurance, workers compensation insurance, and licensed operators and annual audits. Mr. Freeman reported there are no loan payment defaults in any loan program, and said the Committee reviewed the debt service reserve balance, reviewed the Board's investment portfolio, standby bond purchase agreement, reviewed State Street Bank of Boston variable rate debt, and reviewed the SRF bond programs.

Mr. Freeman said at the fiscal year end of 2018, the combined loan program total assets are approximately \$1.597 billion dollars, an increase of approximately \$67 million compared to fiscal year end 2017 when the total outstanding loans stood at \$1.24 billion dollars, an increase of \$44 million over prior year. Mr. Freeman introduced Mr. Kelly Schwartz of Arledge and Associates who reviewed the FY2018 audit with the Board.

Mr. Kelly Schwartz addressed the members and referred to the audit summary and highlights report of audits that had been performed for 2018 and had been distributed. He noted that the programs that had been reviewed: 1986 General Bond Resolution Loan Program, 2016 General Bond Resolution State Loan

Program, Clean Water State Revolving Fund, and Administrative Funds for the CWSRF and DWSRF. He said there were no changes in financial reporting requirements for FY2018, and all audits received a Financial and Yellow-Book Compliance; unmodified Auditor's report, no laws or regulations violations and no internal control findings. The Supplemental Combining Financial Statements are located at the back of the audit report provides presentation of each individual issue activity, which Mr. Schwartz reviewed with the Board Members.

Results of the audits and financial highlights included a comparison of transactions between 2018 and 2017, and identified the assets, liabilities, and net position; and total interest income, total interest expense, other operating expenses, transfer out to OWRB, and the increase or decrease in net position for each program. The income and expenses remained consistent with previous years and net positions are as follows:

- A. 1986 General Bond Resolution State Loan Program: \$20,055,363 for 2018, as compared to \$24,548,926 for 2017 for an overall decreased net position of \$4.4 million;
- B. 2016 General Bond Resolution State Loan Program: \$7,532,055 for 2018 and \$5,004,381 for 2017 for an overall net increase position of \$2.5 million;
- C. State Revolving Fund (CWSRF) single audit review of federal capitalization grant money: \$371,474,444 for 2018 and \$363,124,495 for 2017, for an overall net increase position of \$8.3 million;
- D. 1. CWSRF Loan Administrative Funds: \$4,648,165 for 2018 and \$3,911,596 for 2017 for an overall net increase of \$736,569; and,
2. DWSRF Loan Administrative Funds: \$7,971,776 for 2018 and \$8,853,570 for 2017 for a decrease in net position of \$881,794.

Mr. Schwartz concluded his report informing the members Arledge had complied with providing the requirement communications letter to the Board, recapping seven key areas associated with the performance of the audit, and stating there were no proposed adjustments, no outside issues in completing the audit, and no management problems to report.

There were no questions of Mr. Schwartz. Vice Chairman Allen complimented the staff on its good work. Mr. Charles Darby, Chairman of the Audit Committee, commented that Mr. Freeman and his staff perform an excellent job which is the reason the Board enjoys such a good rating, the audit is impressive when reviewed in detail of the work that is required to maintain borrower compliance, and the Board is blessed to have this staff.

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. Vice Chairman Allen stated item J.2., application for regular permit to use stream water (Hanson Aggregates #2008-010) will be withdrawn. He asked if there were other requests. Mr. Stallings asked that items L. 3., 4., and 5., be considered separately.

There were no requests to move items to the Special Consideration Agenda.

B. Discussion, Questions, and Responses Pertaining to Any Items Remaining on Summary Disposition Agenda and Action on Items Listed. There were no other requests for changes to the Summary Disposition Agenda. Vice Chairman Allen stated he would entertain a motion.

Mr. Muller moved to approve the Summary Disposition Agenda, and Mr. Darby seconded.

There was no discussion, and Vice Chairman Allen called for the vote.

- AYE: Stallings, Muller, Drake, Darby, Landess, Allen
- NAY: None
- ABSTAIN: None
- ABSENT: Melton, Castillo, Drummond

Vice Chairman Allen proposed the Board consider items L. 3, 4., and 5., together unless there was a request to vote on the items separately. There was no request to consider the applications separately (Chisholm Oil & Gas Operating LLC, OK30566, OK30567, OK30568).

Mr. Drake moved to approve the items, and Mr. Darby seconded. Vice Chairman Allen called for the vote.

- AYE: Muller, Drake, Darby, Landess, Allen
- NAY: None
- ABSTAIN: Stallings
- ABSENT: Melton, Castillo, Drummond

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>
GGEDA				
a.	FAP-19-0049-R	Bluejacket Public Works Authority	Craig	\$99,999.00
INCOG				
b.	FAP-19-0047-R	Shidler Public Works Authority	Osage	Change of Scope
SWODA				
c.	FAP-19-0035-R	Eldorado Public Works Authority	Jackson	150,000.00

D. Consideration of and Possible Action on Contracts and Agreements:

1. Professional Services Engagement Letter with Arledge & Associates, P.C. to provide auditing services related to the Board's financial assistance programs for CWSRF and DWSRF loan administrative funds.
2. Professional Services Engagement Letter with Arledge & Associates, P.C. to provide auditing services related to the Board's financial assistance programs for FAP administration fund.
3. Professional Services Engagement Letter with Arledge & Associates, P.C. to provide auditing services to the Board's financial assistance programs for revenue bond issues.
4. Professional Services Engagement Letter with Arledge & Associates, P.C. to provide auditing services related to the Board's financial assistance programs for the Oklahoma Clean Water State Revolving Fund Loan Account Program.
5. Professional Services Engagement Letter with Crawford & Associates, P.C. to provide account services related to the Board's financial assistance programs.
6. Joint Funding Agreement between the United States Geological Survey ("USGS") and OWRB for continued operation and maintenance of the monitoring program.

7. Interagency Agreement between the Grand River Dam Authority ("GRDA") and OWRB to continue the Dissolved Oxygen Monitoring Project.

8. Contract for Professional Services between Freese and Nichols, Inc. and OWRB providing professional engineering services related to Dam Safety training seminar.

E. Consideration of and Possible Action on Applications for Temporary Permits to Use Groundwater:

1. Heidy Wick, Adair County, #2018-598
2. Bon Ha and Nhien Thi Ha, Adair County, #2018-606
3. Bluefin Water Solutions, LLC, Grady County, #2018-611
4. JV Real Estate, LLC and Cowboy Real Estate, LLC, Kingfisher County, #2018-618
5. Global Equipment Leasing, LLC, Major County, #2019-505

F. Consideration of and Possible Action on Applications to Amend Temporary Permits to Use Groundwater:

1. Triple S Farms, LC, Blaine County, #1995-531
2. Mallard Mecca Farms, LLC, Caddo County, #2002-564

G. Consideration of and Possible Action on Applications for Regular Permits to Use Groundwater:

1. Weinkauf Petroleum, Inc., Cimarron County, #2018-616

H. Consideration of and Possible Action on Applications to Amend Regular Permits to Use Groundwater:

1. Jeff & Jeri Slatten, Beaver County, #1978-610

I. Consideration of and Possible Action on Applications to Amend Prior Rights to Use Groundwater:
None

J. Consideration of and Possible Action on Applications for Regular Permits to Use Surface Water:

1. Elliott Cattle Co., LLC, Grady County, #2004-015
2. *Hanson Aggregates, LLC, Johnston County, #2008-010 Item withdrawn*
3. Johnnie Lee & Gayla Jean Collier, Grady County, #2018-088
4. Enerstream Water Solutions, LLC, Kingfisher County, #2018-091
5. Enerstream Water Solutions, LLC, Kingfisher County, #2018-092
6. Dolan & Tara Dougherty, Canadian County, #2019-006

K. Consideration of and Possible Action on Applications for Term Permits to Use Surface Water:

1. Aquahawk Energy, LLC, Grady County, #2018-095
2. Bluefin Water Solutions, LLC, McClain County, #2019-008

L. Consideration of and Possible Action on Dam and Reservoir Construction:

1. City of Ponca City (Ponca Lake), Kay County, OK11017
2. Summit Lakes Property Owners Association (Summit Lake), Cleveland County, OK12578
3. Chisholm Oil & Gas Operating, LLC (Emmerich Pit), Kingfisher County, OK30566
4. Chisholm Oil & Gas Operating, LLC (Hajek Pit), Kingfisher County, OK30567
5. Chisholm Oil & Gas Operating, LLC (Barnes Pit), Kingfisher County, OK30568
6. Kenny Knowles (Knowles Dam), Ellis County, OK30571

M. Consideration of and Possible Action on Well Driller and Pump Installer Licensing:

1. New Licenses, Accompanying Operator Certificates and Activities:
 - a. Licensee: Water Worx, LLC DPC-1013
Operator: Jon Bourlon OP-1411
 - b. Licensee: Charles Sargent Irrigation, Inc.
(dba) Sargent Drilling DPC-1015

Operator: Douglas Yantzie

OP-2282

Operator: Douglas Miller

OP-2283

2. New Operators, Licensee Name Change, and/or Activities for Existing Licenses: None

N. 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, Ottawa County, #FP-18-34
2. Oklahoma Department of Transportation, Payne County, FP-18-36
3. Oklahoma Department of Transportation, Coal County, FP-18-37
4. Oklahoma Department of Transportation, Caddo County, FP-18-38
5. Oklahoma Department of Transportation, Caddo County, FP-18-39
6. Oklahoma Department of Transportation, Blaine County, FP-18-41
7. Oklahoma Department of Transportation, Ottawa County, FP-18-42
8. Oklahoma Department of Transportation, Ottawa County, FP-18-43
9. Oklahoma Department of Transportation, Wagoner County, FP-18-45
10. Oklahoma Department of Transportation, Osage County, FP-18-46
11. Northeastern Oklahoma A & M, Ottawa County, FP-19-09

O. Consideration of and Possible Action on Applications for Accreditation of Floodplain Administrators:

1. Janet G. Baker, Town of Billings, FPA-786
2. Christopher "Jay" Alred, Cherokee County, FPA-787
3. Christopher A. Gdanski, City of Enid, FPA-788
4. Julia Casey, City of Krebs, FPA-789
5. Naomi A. Dietrich, Town of Ninnekah, FPA-790
6. Christie M. Dockins, Town of North Enid, FPA-791
7. Todd O'Quinn, City of Pauls Valley, FPA-792
8. Bradley A. Sewell, City of Pawnee, FPA-793
9. Kenny L. Hudson, City of Wynnewood, FPA-794

4. **QUESTIONS AND DISCUSSION ABOUT MATTERS AND OTHER ITEMS OF INTEREST**

A. Presentation and Discussion on Board Education Series, "Maximum Annual Yield Determination Process." Mr. Chris Neel, Assistant Division Chief, Planning and Management Division, addressed the members and provided a brief history of the 1973 Oklahoma Groundwater Law which is the foundation of the operation of the Planning and Management Division in conducting hydrologic surveys to determine the amount of water that can be pumped. Under the law, groundwater is considered a private property right, subject to regulation by the Oklahoma Water Resources Board (OWRB) and is also considered a mining law therefore allowing some depletion of the aquifer. The result of the hydrologic study is to develop the Maximum Annual Yield (MAY) -- the total amount of fresh groundwater that can be withdrawn while allowing a minimum 20-year life of the basin, and then the Equal Proportionate Share (EPS) which determines the amount of water allocated to each permit applicant that is proportionate to the amount of land owned or leased by that applicant. Each groundwater user is entitled to withdraw an equal share of water proportional to the amount of land owned. The default value is 2.0 acre-feet per acre until the hydrologic study is completed; the MAY/EPS could decrease or increase that amount. Mr. Neel explained the process by which staff conducts the study and determines the MAY and the EPS amount, and he produced a slide illustrating major and minor aquifers bedrock and alluvium and terrace aquifers--some minor aquifers do not yet have determined boundaries--all depicting the amount of water of the State that is managed. Another slide depicted the aquifers where a hydrologic study, MAY and EPS has been conducted, and said the staff's goal is to have all the aquifer studies completed by 2022. Mr. Neel said the Oklahoma Comprehensive Water Plan Recommendation #7 is that the OWRB should address the backlog of studies, and the law instructs the aquifers will be reviewed every 20 years thereafter in order to adequately determine the amount

of water available for appropriation, i.e., as better data and new information could reveal boundaries and the EPS should be adjusted. The funding source for conducting the studies is revenue from the Gross Production Tax.

Mr. Neel explained that when conducting the studies and determination of the MAY/EPS, the law instructs that certain factors be considered in the determination of the maximum annual yield of a major groundwater basin:

- total land area overlying the basin
- amount of water in storage in the basin
- rate of recharge to the basin
- total discharge from the basin
- transmissivity of the basin (how fast water moves through the ground), and
- the possibility of pollution from natural sources

There are additional requirements for sensitive sole source groundwater basins including the maximum annual yield ensures the natural flow of water from springs or streams will not be reduced. Oklahoma has one sole source aquifer -- the Arbuckle Simpson.

Using informative slides and photos, Mr. Neel discussed the first step in determining the maximum annual yield is to conduct a hydrologic investigation or survey which is done through multi-year projects performed by the OWRB or an outside expert agency or institution such as the U.S. Geological Survey and more complex aquifers may utilize digital groundwater flow models (adding time to a project). The study will define geologic boundaries, find and measure wells, determine the saturated thickness of the aquifer and water level fluctuations (rainfall events); other considerations are climate trends (i.e., historical response to drought), average recharge and other water use, stream flows and springs, and aquifer properties. Staff utilizes water use reporting, i.e., in the Rush Springs Aquifer where 3,000-4,000 permits were reviewed and field investigations conducted for quality-controlled data. After a hydrologic investigation is complete, report is written and the Office of General Counsel prepares a tentative determination of the maximum annual yield of the basin, copies of the results of the investigation are made available for public review, and one or more hearings are scheduled -- in the area of the aquifer location -- so that citizens can present evidence supporting or contradicting the evidence behind the tentative determination. Following the hearings, the OWRB evaluates all the evidence and ascertains the factors stated by the law in the process of making the final maximum annual yield determination within one year of the tentative order which includes the final determination and equal proportionate share. The final determination is issued in a "final order" approved by the Board, and then regular permits are issued, as well as converting temporary permits. Legislation in 2018, SB 1294, allows for the phased implementation under certain circumstances, i.e., if a reduction is determined; however, the aquifer is underused. Mr. Neel concluded his remarks indicating the studies that have been completed and final determinations will be coming to the Board.

Vice Chairman Allen asked about the required minimum 20-year review and determining the life span of an aquifer. Mr. Neel said that is often done through public input -- the EPS is based from 100% development of the aquifer but in reality it is not 100% developed. Ms. Cunningham invited members to accompany staff on the field investigations, and she complimented the staff and their work in conducting hydrologic study investigations performed in all types of weather conditions. She added that the Gross Production Tax funding resulted in the OWRB hiring 10 hydrogeologist, causing the USGS to also increase its staff to assist the Board in completing the required studies. One of the benefits of the studies is for a permit holder to go from a temporary permit to a permanent water right which cannot be decreased.

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 matters transferred from the Summary Disposition Agenda.

6. 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. There were no New Business items for the Board's consideration. The next regular meeting will be held on June 18, 2019.

7. ADJOURNMENT

There being no further business, Vice Chairman Allen adjourned the meeting of the Oklahoma Water Resources Board at 10:24 a.m. on May 21, 2019.

OKLAHOMA WATER RESOURCES BOARD

_____/s/_____
Stephen B. Allen, Vice Chairman

_____/s/_____
Charles Darby

_____/s/_____
Bob Drake

_____Absent_____
F. Ford Drummond

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

_____/s/_____
Jennifer Castillo

_____Absent_____
Matt Muller

_____/s/_____
Suzanne V. Landess

ATTEST:

_____/s/_____
Robert L. Stallings, Jr., Secretary

(SEAL)