

OKLAHOMA WATER RESOURCES BOARD OFFICIAL MINUTES

September 17, 2019

1. CALL TO ORDER

The regular monthly meeting of the Oklahoma Water Resources Board was called to order by Chairman Robert L. Stallings, Jr., at 9:30 a.m. on September 17, 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 September 13, 2019, at 4:30 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. Chairman Stallings asked for the roll call of members.

Board Members Present

Robert L. Stallings, Jr., Chairman
Bob Drake, Secretary
Jennifer Castillo
Charles Darby
Suzanne Landess
Robert L. Melton
Matt Muller

Board Members Absent

Stephen Allen, Vice Chairman
Ford Drummond

Staff Members Present

Julie Cunningham, Executive Director
Sara Gibson, 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

Jeff Everett, OGE, Oklahoma City, OK
Michael Taylor, Cowan Group, Oklahoma City, OK
Joe Fisk, Haileyville, OK
Newakis Webber, Chickasaw Nation, Ada, OK
Jo Farris, Fay, OK
Arian Parkinson, Fay, OK

Afshin Aghahyan, Stillwater, OK
 Chris Gander, BOKFS, Oklahoma City, OK
 Stephen Froech, Oklahoma City, OK
 Bodie Bachelor, Centennial Law, Duncan, OK
 Rob Singletary, Oklahoma City, OK
 Ashley Neal, City of Shawnee, OK
 Chance Allison, City of Shawnee, OK
 Tom Elkins, Cherokee Nation, Tahlequah, OK
 Dale Cottingham, Alpine Silica, Oklahoma City, OK
 David Oakley, LegisOK, Oklahoma City, OK
 Billy Little, 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
 Bud Ground, Environmental Federation of Oklahoma, Oklahoma City, OK
 Daniel Johnston, Haileyville, OK
 Carly Cordell, Office of the Secretary of Energy and Environment, Oklahoma City, OK
 Chris Camden, Granada Lake Association, Maize, KS
 Dana & Mike Langley, Granada Lake Association, Shawnee, OK
 Dave Slezickey, City of Kingfisher, OK
 Brad Schmidt, City of Shawnee, OK
 Greg Hobbs, Granada Lake Association, Shawnee, OK
 Vicki Reed, Oklahoma Department of Environmental Quality/Drinking Water SRF,
 Oklahoma City, OK
 Daniel "Bo" Gibbs, Carney, OK
 Dean Couch, Gable Gotwals, Oklahoma City, OK
 Marla Peek, Oklahoma Farm Bureau, Oklahoma City, OK
 Shane Jenifer, Chickasaw Nation

B. Discussion, Amendments, and Vote to Approve Official Minutes of the August 20, 2019, Regular Meeting. Chairman Stallings asked if there were any comments or proposed amendments to the minutes of the August 20, 2019, meeting minutes. There were no changes or discussion, and he accepted a motion to approve the minutes.

Mr. Darby moved to approve the minutes of the August 20, 2019, meeting, and Mr. Muller seconded. There was no discussion. Chairman Stallings called for the vote.

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

C. Executive Director's Report

Ms. Julie Cunningham, Executive Director, welcomed everyone in attendance and noted the drought and rainfall conditions. She updated the members on a very productive meeting with the Senate and House Appropriations Natural Resources Subcommittee Chairs -- Senator Jech (Chair), Senator Shaw (V-Chair), and Rep. Newton (Chair) and Rep. Phillips (V-Chair)-- who visited with staff about budget matters and agency functions. She updated the members on the Produced Water Working Group meeting on August 29 that is working with the oil and gas companies to coordinate solutions to produced water treatment/discharge permits. She explained the research and discussion involving permitting by the Corporation Commission, the new PWWG legislative committee including the Environmental Federation that will review rights of way, extraction of iodine and other minerals and ownership, and that the Department of Environmental

Quality is looking at cleaning up the water and discharging to streams. The group is also investigating methods in other states.

On September 3, the OWRB participated in a signing with the Governor, Secretary of Energy and Environment, Department of Environmental Quality and the Oklahoma Rural Water Association recognizing a partnership to provide assistance to small systems. The OWRB and ORWA have been involved in a contract for many years to provide technical, financial, and managerial training supported by state funding, and DEQ has EPA funding to contract with the ORWA to provide information on leak detection, pricing, etc. The OWRB will be mapping the systems.

Ms. Cunningham updated the members on the legislative study by Representative Sims regarding the Arkansas River Flood of 2019. The OWRB and OEM will make a joint presentation regarding agency functions and coordination, flood insurance, technical partnership program, flood issues and infrastructure needs. Often the flood declarations are in counties where there is no floodplain insurance; there are 400 communities and counties that participate in the National Floodplain Insurance program. There is also an interim study by Representative Caldwell regarding REAP grant program, Joe Freeman and staff will facilitate the discussion. The REAP grant program is financial assistance for communities under 7,000 population. She mentioned that since 2018 the OWRB has received 99 REAP grant applications for \$9.8 million dollars, but have had \$1.2 million for funding projects.

Regarding federal legislative matters, the EPA and COE repealed the rules regarding WOTUS, or Waters of the US, originally to clarify which waters were within the definition and which waters were out. It was very difficult to reach language that satisfied everyone and was very controversial. The Interstate Council on Water Policy and Western States Water Council were involved for several years, as well as Oklahoma's Attorney General and Secretary of Energy & Environment. The Bureau of Reclamation worked with the City of Tishomingo on a WaterSmart grant to install automated metering which falls under implementation of the Comprehensive Water Plan. Ms. Cunningham reported the COE work regarding extracting the barges at Webbers Falls, and on September 16 the COE released its draft report on the Levee Feasibility Study and is looking at \$148 million for rehabilitation of the system.

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

D. Financial Update

1. Budget Report. Mr. Cleve Pierce, Administrative Services Division Chief, addressed the members and stated the agency has just begun the new fiscal year and the budget report is for the time period ending August 2019. He said for the time period, the agency has spent 14% of the appropriated budget, spent 8% of the revolving budget, and has spent 9% of federal dollars keeping within spending rate for the agency the same as last year. He said the agency is working on the statutorily required budget document for FY2021, a document that explains the agency's programs, where the funding is spent, how the agency is funded, and what does the agency want to do in future.

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

2. FINANCIAL ASSISTANCE DIVISION

A. Consideration of and Possible Action on a Proposed Order Approving Emergency Grant for Kingfisher Public Works Authority, Kingfisher County. Recommended for Approval. Mr. Joe Freeman stated that this item is a \$41,140.00 emergency grant request from the Kingfisher Public Works Authority. As a result of flooding earlier in the year, the Authority's main trunk line conveying sewage to the wastewater treatment plant collapsed, creating a sink hole and causing sewage to back up. The Authority has requested the grant to go along with \$7,260.00 in local funds to correct the problem. Staff recommended approval.

Representing Kingfisher was City Manager Dave Slezickey, who spoke to the members expressing the Authority's appreciation for the Board's assistance.

Chairman Stallings asked for a motion if there were no questions. There were none, and Mr. Darby moved to approve the emergency grant to the Kingfisher Public Works Authority. Mr. Melton seconded, and Chairman Stallings called for the vote.

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

B. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Haileyville Public Works Authority, Pittsburg County. Recommended for Approval.

Mr. Freeman stated this item is a \$440,000.00 funding package for the Haileyville Public Works Authority located in Pittsburg County. The PWA is requesting the funding for the installation of automatic meter reading system, manholes, and sewer lines. He noted the provisions of the loan that will be funded through the Clean Water State Revolving Loan Fund, with \$200,000.00 in the form of principal forgiveness; the debt coverage ratio stands at 5.39-times. Staff recommended approval.

Representing Haileyville was Mayor and PWA Chairman Dave Johnson, and Councilman Joe Fisk. Mayor Johnston expressed his appreciation to the Board. Chairman Stallings asked the number of meters, and the Mayor responded there are 422 meters, primarily residential meters. Mr. Melton asked about the forgiveness portion of the loan, and Mr. Freeman explained when applying for the EPA Capitalization Grant, a portion is required for the principal forgiveness program. It is a two-phase system of funding where the first year assistance for small communities is to get the planning and design of the project which is a large expense for a small community, which Haileyville did last year; this year is the actual construction.

There were no other questions, and Chairman Stallings asked for a motion. Mr. Muller moved to approve the CWSRF funding to the Haileyville PWA, and Ms. Castillo seconded.

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

C. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Carney Public Utilities Authority, Lincoln County. Recommended for Approval.

Mr. Freeman stated this \$505,000.00 funding request by the Carney Public Utilities Authority in Lincoln County will be used to install sewer lines, manholes, and a 280 AMR water meter system. He said \$200,000.00 of the loan will be in the form of principal forgiveness; the remaining \$350,000.00 will bear a fixed interest rate, plus a .5 administrative fee and will mature within 15 years of completion of the project. He noted other provisions of the loan agreement, stating the debt coverage ratio is 2.86-times. Staff recommended approval of the request.

Representing the Carney PUA was Mayor Bo Gibbs. Mayor Gibbs thanked the Board for its consideration of the funding request.

Mr. Drake moved to approve the CWSRF funding for the Carney PUA, and Ms. Castillo seconded. Chairman Stallings called for the vote.

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

D. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Oklahoma City Water Utilities Trust, Oklahoma County. Recommended for Approval.

Mr. Freeman stated this item is a \$1,947,000.00 loan request by the Oklahoma City Water Utilities Trust which is requesting the loan for the construction of a boat ramp and fire break at Lake Atoka in southeast Oklahoma.

He said that Lake Atoka has been on the State's Clean Water Section 303(d) list for impaired waters since 2002, and the Oklahoma Conservation Commission stated in its review of the project that the funds will provide a simple, localized and measureable, long-term impact to the site. The OCC also stated the firebreak is consistent with the goals of the State's Non-point Source Management Plan to protect the lake against sedimentation and pollution that results from uncontrolled wildfires. Mr. Freeman noted provisions of the loan agreement, and said Oklahoma City has 11 outstanding loans with the Board with a combined principal balance of \$197.4 million. Oklahoma City's water and sewer connections have increased by approximately 16% over the past ten years and the debt coverage ratio stands at 2.43-times. Staff recommended approval.

Mr. Chris Browning, Water Utilities Trust Director; Billy Little, Finance Director; and Sam Samandi, Engineering Director, were present in support of the funding request. Mr. Browning thanked the Board for its support of the City through the SRF program over the years saving the ratepayers quite a bit of money. He said this project will help to improve conditions at Lake Atoka, there are a number of makeshift boat ramps that are causing sedimentation issues and there have been several fires in the area. The project includes a comprehensive firebreak that will be constructed in cooperation with the Oklahoma Department of Wildlife Conservation. He also thanked Mr. Freeman and his staff for their assistance.

Chairman Stallings asked for questions; Mr. Muller commented about the boat ramp. Mr. Browning stated by constructing a boat ramp that is more appropriate for the water level changes in the lake, they hoped to deter citizens from building their own ramps to get to the water.

Chairman Stallings stated if there were no other questions, he would entertain a motion. Mr. Muller moved to approve the CWSRF loan to the Oklahoma City Water Utilities Trust, and Ms. Castillo seconded. Chairman Stallings called for the vote.

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

E. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Oklahoma City Water Utilities Trust, Oklahoma County. Recommended for Approval. Mr. Freeman stated this request by the OKCWUT is for a \$21,750,014.00 in Drinking Water SRF funding will go along with funds from a previously closed DWSRF loan for construction of two, five million gallon clear wells and infrastructure related to the project. Mr. Freeman noted provisions of the loan agreement, and said Oklahoma City's debt coverage ratio stands at 2.43-times. Staff recommended approval of the funding request.

Mr. Chris Browning stated to the members this project started last year originally funded with previous SRF funding, and the total project amount is approximately \$75 million, with \$50 million previously funded, and the remainder being requested through this year's SRF funding. Mr. Muller asked if the project is an expansion to allow more capacity, or to meet standards. Mr. Browning answered the current clear wells are aged beyond usable life and are leaking, and this project is for replacement; expansion of the facility will be in the future and additional clear wells will be installed at that time. Chairman Stallings asked the age of the plant, and Mr. Browning answered the plant was built in the 1960s. There were no additional questions.

Mr. Drake moved to approve the DWSRF funding to the Oklahoma City WUT, and Ms. Castillo seconded. Chairman Stallings called for the vote.

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

F. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Shawnee Municipal Authority, Pottawatomie County. Recommended for Approval. Mr. Freeman stated this item is a \$37,920,000.00 Clean Water SRF funding request by the Shawnee Municipal Authority for the upgrade and improvements to its two existing waste water treatment plants, including headworks, secondary treatment process, and sludge handling modifications. Mr. Freeman noted the provisions of the loan agreement and said Shawnee currently has three outstanding loans with the Board with a combined principal balance of \$5.9 million; the debt coverage ratio is 1.42-times. Staff recommended approval.

Mr. Chance Allison, City Manager; Ashley Need, Finance Director; and Brad Schmidt, Utility Director, were present representing Shawnee. Mr. Allison expressed his appreciation to the members for their support. Chairman Stallings asked the number of Shawnee customers and Mr. Allison answered there are a total of 13,000 meters. The south side plant built in the 1940s was designed for residential flow and the north side plant was built in the 1980s with the idea of 80% commercial and 20% residential but residential growth has caused that number to flip and the plant needs modification to accommodate residential capacity. Mr. Melton asked if the debt coverage ratio is low, and Mr. Freeman answered the ratio required is 1.25-times, which will be monitored, but there has never been a problem with Shawnee and rates are monitored regularly. Mr. Allison added that this year the staff designed a new ordinance for utilities rate raising the CPI index so that annually it can be increased based on CPI inflation.

Chairman Stallings stated he would entertain a motion for approval if there were no other questions. There were none, and Mr. Darby moved to approve the Clean Water SRF loan to the Shawnee Municipal Authority. Ms. Castillo seconded the motion. Chairman Stallings called for the vote.

AYE: Drake, Castillo, Landess, Darby, Muller, Melton, Stallings

NAY: None

ABSTAIN: None

ABSENT: Allen, Drummond

G. 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 2019D 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 to the members this item is for consideration of a resolution authorizing issuance of an additional \$100 million State Loan Program Revenue Bonds, commonly known as the FAP loan program. Last September, the Board authorized issuance of up to \$100 million in FAP bonds, and subsequently, the Board has closed three bond issues under the FAP for \$87,680,000.00 dollars, making necessary the approval of additional FAP bond issuance capacity. Triple AAA bond ratings have been received for all of the FAP bond issues under the 2016 bond resolution, as well as affirmation of the AAA rating on all the other outstanding FAP bond issues. Mr. Freeman stated the request will be presented to the State Bond Oversight Council at its October meeting.

Mr. Freeman noted the items for approval, including: the issuance of bonds in one or more series, providing approval of a preliminary official statement, authorizing chairman or vice chairman to deem the official preliminary statement for additional bonds final, directs proceeds to be deposited in the State Treasury,

and remit to BancFirst the Board's Trustee, and ratifies the form of promissory note, loan agreement, and loan purchasing agreement. In addition, the document authorizes execution of other documents required for the issuance of bonds, and directs payment of the cost of issuance. Staff recommended approval of the resolution.

Mr. Zach Robinson, BOK Financial Securities and the Board's Senior Underwriter on the FAP Program, and Mr. Jacob Bachelor, FAP Bond Counsel were present. Mr. Melton asked about the "up to 6%" rate and Mr. Freeman answered the rate that will be received will be dramatically less than that; however, that is a cap to put in the resolution. Mr. Bachelor explained a number is put in the resolution so it is more specific to the outcome based on industry practices that have developed as a result of challenges to bond authorizations when Board's authorize bond issues and there is no interest rate stated. A challenger can use that as a point against a valid authorization, so a cap is inserted that will safely achieve but is also realistic and closer to pinpointing the actual rate. The specific rate will be established on the pricing day; the range today on a 30-year fixed rate issue would be in the 3-3.50 range. Mr. Robinson said this is well under the cap but gives room on how the bonds are structured. There were no other questions.

Mr. Drake moved to approve the resolution authorizing the issuance of FAP bonds not to exceed \$100,000,000, and Mr. Darby seconded. Chairman Stallings called for the vote.

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

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 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. Chairman Stalling asked if there were any items that needed to be moved, withdrawn or discussed prior to considering the agenda. The Chairman asked to remove and consider items F.1 and 2., and items I. 1., 2., and 3. There were no requests for other changes to the Summary Disposition Agenda.

Mr. Muller moved to approve the Summary Disposition Agenda, except for items F. 1. and 2. (#1974-055, #1979-728), and items I. 1., 2., and 3. (#1951-050, #1956-383, #1970-110). Mr. Darby seconded.

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

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

Chairman Stallings moved to approve items F. 1. and 2. (#1974-055, #1979-728), and items I. 1.,2. and 3. (#1951-050, #1956-383, #1970-110). Mr. Drake seconded. Chairman Stallings called for the vote.

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

Ms. Gibson stated items the Chairman is involved in that are on the agenda are being considered separately.

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>
None				

2. CWSRF Principal Forgiveness Loan Applications:

<u>Item No.</u>	<u>Application No.</u>	<u>Entity Name</u>	<u>County</u>	<u>Amount Recommended</u>
a.	ORF-20-0005-DW	Rural Water, Sewer, and Solid Waste Management District #2	Bryan	\$ 100,000.00

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

1. Joint Funding Agreement between OWRB and USGS for continued operation and maintenance of the monitoring program.
2. Amendment Agreement between OWRB and OSEE extending the budget/project period for the National Wetlands Condition Assessment.
3. Interagency Agreement between OWRB and OSEE to provide funding for Oklahoma's FY2019 106 Sec. 106 Water Pollution Control Program – Supplemental Monitoring.
4. Amendment Agreement between OWRB and USDA – Agricultural Research Service replacing retired ARS PI, J. Steiner with P. Starks.
5. Joint Funding Agreement between OWRB and USGS for enhancement monitoring for the Eastern Arbuckle-Simpson Aquifer, South-Central Oklahoma Project.

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

1. Wesley Craig & Regina Miller, Custer County, #2016-549
2. Alpine Silica, LLC, Blaine County, #2018-588
3. Lournell E. Lenz Trust, Kingfisher County, #2019-510
4. Dantz & Summer Hall, Greer County, #2019-511
5. Preston & Candy Masquelier, Custer County, #2019-524

6. LDF Revocable Trust, Oklahoma County, #2019-530
 7. Michael J. & Janna K. Potter, Caddo County, #2019-534
 8. Norman Shutler Irrevocable Testamentary Trust B, Logan County, #2019-535
- F. Consideration of and Possible Action on Applications to Amend Temporary Permits to Use Groundwater:
1. Kronseder Farms, Inc., Major County, #1974-055
 2. Kronseder Farms, Inc., Major County, #1979-728
 3. William & Shirley Nunley, Grady County, #2001-520
 4. Hennessey Utilities Authority, Kingfisher County, #2009-541
- G. Consideration of and Possible Action on Applications for Regular Permits to Use Groundwater:
None
- H. Consideration of and Possible Action on Applications to Amend Regular Permits to Use Groundwater:
1. Verlin Wootton, Beckham County, #1983-687
 2. Brennan J. Hendershot, Beckham County, #2001-564D
- I. Consideration of and Possible Action on Applications to Amend Prior Rights to Use Groundwater:
1. Kronseder Farms, Inc., Major County, #1951-050
 2. Kronseder Farms, Inc., Major County, #1956-383
 3. Enid Municipal Authority, Major County, #1970-110
- J. Consideration of and Possible Action on Applications for Regular Permits to Use Stream Water:
1. P & K Stone, LLC, Johnston County, #2019-026
- K. Consideration of and Possible Action on Applications for Term Permits to Use Stream Water:
1. George & Amy Wells, Canadian County, #2019-018
- L. Consideration of and Possible Action on Dam and Reservoir Construction:
1. Granada Lake, LLC (Granada Lake), Pottawatomie County, #OK13214
 2. City of Moore (Little River Park Dam), Cleveland County, #OK30561
- M. Consideration of and Possible Action on Well Driller and Pump Installer Licensing:
1. New Licenses, Accompanying Operator Certificates and Activities:
 - a. Licensee: Redman Water Well & Pump DPC-0815
Operator: Joseph Redman OP-1823
 - b. Licensee: Birch Water Well Drilling, LLC DPC-1021
Operator: Jody Birch OP-2295
 2. New Operators, Licensee Name Change, and/or Activities for Existing Licenses
 - a. Licensee: Ewbank, Inc. DPC-0063
 1. Operator: Jeremy Hoffman OP-2289
 2. Operator: Nicholas Hoffman OP-2290
 - b. Licensee: MATCOR DPC-0479
 1. Operator: Zachary Younger OP-2294
 2. Operator: Carl Hammock OP-2291
 3. Operator: Gatty Snow OP-2292
 - c. Licensee: Redman Water Well & Pump DPC-0815
 1. Operator: Jeremy Lewis OP-2293
- 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, Caddo County, #FP-19-14
 2. Oklahoma Department of Transportation, Sequoyah County, #FP-19-15

3. Oklahoma Department of Transportation, Washita County, #FP-19-16

O. Consideration of and Possible Action on Applications for Accreditation of Floodplain Administrators:
None

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

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

5. **SPECIAL CONSIDERATION**

A. Consideration of and Possible Action in the Matter on Application for Regular Stream Water Permit No. 2018-007, Kermit Scott, Canadian County:

1. Summary – Mr. Kent Wilkins, Chief, Planning and Management Division, stated to the members that this item is an application to use stream water, permit number 2018-007 in the name of Kermit Scott, and the water is to be taken in Canadian County. He provided the members the background on the application describing the application for an allocation of 300 acre-feet of streamwater per year from one point of diversion on Uncle John's Creek at a maximum rate of 1,600 gpm for the purpose of drilling and completing oil and gas wells; and public notice for the application was provided according to applicable statutory and Board requirements. A written protest was timely filed by Gerald and Lucy Beecher, and an administrative hearing was held. In evaluating the application, Board staff determined 2,200 acre feet of water was available for appropriation at the diversion point on an average annual basis, and no interference is anticipated.

Mr. Wilkins stated that at the hearing the attorney for the applicant, Mr. Rob Singletary, appeared along with Mr. Mike Reid, as the applicant Mr. Scott was unable to attend due to medical reasons. Mr. Kurt Beecher appeared on behalf of the protestants who claimed the applicant's proposed use of water would reduce the level of water of Uncle John's Creek below the diversion point and possibly interfere with the protestant's domestic use as well as their senior water right -- downstream senior water right #1950-142. After the record was closed that day, the attorney for the applicant provided recommended restriction language by agreement of the parties. Upon consideration of evidence in this issue, the Board finds the applicant's proposed use will not interfere with domestic or existing appropriative uses; however, the order should contain the general condition prohibiting interference, as well as the applicant's agreed-to protective language included in the proposed order. Therefore, the record shows the applicant has met the five points of law, unappropriated water is available in the amount applied for, the applicant has a present or future need for the water, the applicant intends to put the water to beneficial use, the proposed use will not interfere with existing domestic or appropriative uses, and use of the water is inside the stream system. Staff recommended approval of application #2018-007 in the name of Kermit Scott, authorizing the diversion of 300 acre-feet of stream water from Uncle John's Creek; the permit shall specify the diversion rate not to exceed 1,680 gpm. The hearing examiner further ordered the permit shall state, in addition to the other usual stream water permit conditions, the agreed upon restrictive language by both parties that further protects senior permit #1950-142.

2. Discussion and presentation by parties. Mr. Rob Singletary was present representing the applicant, as well as Mr. Mike Reid. There were no representatives of the protestants at the meeting.

Mr. Singletary approached the members and stated he is representing the applicants in this matter. He said, as Mr. Wilkins stated, the application has requested up to 300 acre-feet from Uncle John's Creek in Canadian County. As indicated in the proposed order by Judge Ashbaker, Mr. Singletary said the applicant has satisfied all five elements that are required under the statute for the Board to approve the application. He

said in addition to that, they have gone above and beyond and proposed in the order, to address some of the protestants lingering concerns, that a provision be added to the permit that requires the applicant to cease diversion from Uncle John's Creek in the event that the protestant notifies him they intend to use their permitted water from the creek but don't believe sufficient water is available. At that point, the applicant will cease diversion until such time as the protestant has completed his permitted use or until such time as there is sufficient water flowing in the creek to allow both uses to be completely satisfied. Based on that, the applicant respectfully requests the Board approve the application consistent with the proposed order, and he thanked the Board for its consideration.

3. Possible Executive Session; and 4. Return to open meeting and possible vote or action on any matter discussed in the Executive Session, if authorized. The Board did not vote to enter executive session.

5. Vote on whether to approve the Proposed Order as presented or as may be amended, or vote on any other action or decision relating to the Proposed Order.

Chairman Stallings asked if there were any questions; there were none. Mr. Drake moved to approve permit application 2018-007, and Mr. Darby seconded.

Chairman Stallings asked if the protestants were in attendance, and they were not. There was no discussion, and Chairman Stallings called for the vote.

AYE: Drake, Castillo, Landess, Darby, Muller, Melton, Stallings

NAY: None

ABSTAIN: None

ABSENT: Allen, Drummond

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 October 15, 2019.

7. ADJOURNMENT

There being no further business, Chairman Stallings adjourned the meeting of the Oklahoma Water Resources Board at 10:15 a.m. on September 17, 2019.

OKLAHOMA WATER RESOURCES BOARD

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

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

_____/s/_____
Charles Darby

_____/s/_____
F. Ford Drummond

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

_____/s/_____
Jennifer Castillo

_____/Absent_____
Matt Muller

_____/s/_____
Suzanne V. Landess

ATTEST:

_____/s/_____
Bob Drake, Secretary

(SEAL)