

# OKLAHOMA WATER RESOURCES BOARD

## OFFICIAL MINUTES

November 16, 2021

### 1. CALL TO ORDER

The Regular Meeting of the Oklahoma Water Resources Board was called to order by Vice Chairman Charles Darby, in Chairman Matt Muller's absence, at 9:30 a.m. on November 16, 2021, in the second floor Board Room of the Oklahoma Water Resources Board located at 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 XX, 2021, at XX 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 Charles Darby welcomed everyone to the meeting and asked for the roll call of members.

#### **Board Members Present**

Charles Darby, Vice Chairman

Jennifer Castillo, Secretary

Thomas A. Gorman

Ron Justice

Robert L. Melton

Robert L. Stallings, Jr.

#### **Board Members Absent**

Matt Muller, Chairman

Suzanne Landess

Bob Latham

#### **Staff Members Present**

Julie Cunningham, Executive Director

Sara Gibson, General Counsel

Joe Freeman, Chief, Financial Assistance Division

Bill Cauthron, Chief, Water Quality Programs Division

Chris Neel, Chief, Planning and Management Division

Cleve Pierce, Chief, Administrative Services Division

Stephany Lively, Executive Secretary

#### **Others Attending**

Jerin Presley, Oklahoma Medical Marijuana Authority

Doug Moore, City of Wagoner

Albert Jones, City of Wagoner

Cindy Arnold, City of Broken Arrow

Ben Oglesby, Municipal Finance Services, Inc.

Jennifer Wasinger, Freese & Nichols

Jeff Everett, OG&E

Ron Peterson, Ron Peterson Gov't Consulting

Bodie Bachelor

B. Discussion, Amendments, and Vote to Approve Official Minutes of the October 19, 2021 Regular Meeting. Vice Chairman Darby stated members were provided the draft minutes of the October 19, 2021, meeting and asked the Board's pleasure regarding the minutes. There were no comments or amendments.

Mr. Stallings moved to approve the minutes of the October 19, 2021, Regular Meeting, and Ms. Castillo seconded. Vice Chairman Darby called for the vote.

AYE: Stallings, Justice, Gorman, Castillo, Melton, Darby

NAY: None

ABSTAIN: None

ABSENT: Landess, Latham, Muller

C. Executive Director's Report. Ms. Julie Cunningham, Executive Director, welcomed everyone and began her report by providing the drought update. She advised most counties in Oklahoma are experiencing abnormally high draught conditions. She advised that is something that will be closely monitored.

Director Cunningham then provided a brief update on upcoming events. First being the Governor's Water Conference scheduled for December 1 and 2 at the Oklahoma State Capitol. She advised the Board that all the legislators had been invited to attend as well as speak at the Conference. Ms. Cunningham stated the 2025 Water Plan Event will launch at the Conference and sponsors will be invited as well. Director Cunningham extended an invitation to Board members to attend the Conference.

Director Cunningham advised the Board there will be a need for a December 21, 2021 Board Meeting.

On November 27, Ms. Cunningham attended a meeting with the Navigation Dam Committee. The Red River Dam Authority has created the committee to advise the Corps of Engineers on a planning project to update the economic study to look at potential navigation benefits along the Red River Basin. She advised staff has met with the Corps of Engineers, Chickasaw Nation, Choctaw Nation, Red River Authority of Texas, Oklahoma Department of Transportation and Texas Department of Transportation.

On November 9, Director Cunningham advised she attended the Kaw Lake Water Supply groundbreaking. The Board previously approved this project. Several OWRB staff members were invited to tour the facility.

Also, on November 9, Director Cunningham shared that the final meeting for the Hydrogen Task Force was held. They are wrapping up their recommendations that are due to the Governor's office by December 1. Mr. Melton asked where the report is available, and Ms. Cunningham advised it will be made available after the first of December.

For Director Cunningham's legislative report, she advised the Board that staff is preparing for the 2022 legislative session as well as the agency's joint budget hearing. She stated all agencies now have a template to submit at the hearing. She advised the hearing had not yet been scheduled but thought it may be December or January.

Ms. Cunningham advised OWRB is communicating with the legislature to pass legislation that will help to modernize many aspects of the agency.

Director Cunningham stated the Rules Committee would meet after the adjournment of the Board meeting.

February 1 is the first day of the legislative session.

Ms. Cunningham advised the Board that the Infrastructure and Investment in Jobs Act has passed and there is \$51 billion dollars allocated for drinking water, waste water and storm water infrastructure funding. Ms. Cunningham stated the funding formula will stay the same as the state revolving fund so Oklahoma would be allocated additional funding. She advised there are some specific stipulations.

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

D. Financial Update

1. Budget Report. Mr. Cleve Pierce presented the budget report for the period ending October 31, 2021. He said for the period, the agency has spent 19% of the appropriated budget, leaving 81%; has spent 18% of the revolving budget leaving 82%; and has spent 9% of federal dollars with 81% remaining. Overall, the total budget remaining is 80% with 75% of the fiscal year remaining. He stated the agency has almost finished all FY21 obligations.

Mr. Pierce then briefly updated the Board regarding the budget hearing process. He then concluded his report and Mr. Darby asked if anyone had any questions. There were none.

2. **FINANCIAL ASSISTANCE DIVISION**

A. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Arkoma Municipal Authority, LeFlore County. Recommended for Approval. Mr. Joe Freeman, Chief, Financial Assistance Division, stated to the members that the first item is a \$500,000 loan request from the Arkoma Municipal Authority located in LeFlore County. Mr. Freeman stated the community is experiencing significant inflow and infiltration into their wastewater collection system. They are requesting the loan proceeds to repair or replace manholes throughout the collection system to reduce the I and I problem. This should also reduce Arkoma's wastewater treatment expense as the wastewater is treated by Fort Smith, Arkansas and they are charged for treating all discharge sent to Fort Smith.

The loan will be funded through the clean water SRF loan program, noted the provisions of the loan agreement, and said the debt coverage ration stands at 1.92. Staff recommended approval of the loan request.

Mr. Freeman advised the Arkoma officials requested that he pass along their appreciation for the Board's consideration of their request.

There were no questions. Mr. Stallings moved to approve the loan, and Mr. Melton seconded. There were no further questions or discussions and Mr. Darby called for the vote.

AYE: Stallings, Justice, Gorman, Castillo, Melton, Darby

NAY: None

ABSTAIN: None

ABSENT: Landess, Latham, Muller

B. Consideration of and Possible Action on a Proposed Order Approving State Loan Program Revenue Bond Loan Funding Application for Boise City Public Works Authority, Cimarron County. Recommended for Approval. Mr. Freeman stated to the members that the next item is a \$1,750,000 loan request from the Boise City Public Works Authority located in Cimarron County. They are requesting the loan for drilling a new water well with a well house and piping, for a Scada system, for laying eight- and ten-inch sewer lines, and ten-inch PVC water lines. He stated the loan will be funded through the FAP Revenue Bond Loan Program, noted the provisions of the loan agreement, and said the debt coverage ratio stands at 1.54 -times. Staff recommended approval of the loan request.

Mr. Freeman shared a statement from Boise City leadership thanking the Board for their consideration.

There were no questions. Ms. Castillo moved to approve the loan, and Mr. Gorman seconded. There were no further questions or discussions and Mr. Darby called for the vote.

AYE: Stallings, Justice, Gorman, Castillo, Melton, Darby

NAY: None

ABSTAIN: None

ABSENT: Landess, Latham, Muller

C. Consideration of and Possible Action on a Proposed Order Approving State Loan Program Revenue Bond Loan Funding Application for Guymon Utilities Authority, Texas County. Recommended for Approval. Mr. Freeman stated the next item is a \$4.2 million loan request from the Guymon Utilities Authority. They are requesting the loan to engineer, design and construct two 500,000-gallon ground water storage tanks and one elevated 3000,000-gallon water storage tank. He stated the loan will be funded through the FAP Revenue Bond Loan Program, noted the provisions of the loan agreement, and said the debt coverage ratio stands at 1.88 -times. Staff recommended approval of the loan request.

Mr. Freeman shared a statement from Ken Peterson, Mayor of Guymon thanking the Board for their consideration

There were no questions. Mr. Stallings moved to approve the loan, and Mr. Justice seconded. There were no further questions or discussions and Mr. Darby called for the vote.

AYE: Stallings, Justice, Gorman, Castillo, Melton, Darby

NAY: None

ABSTAIN: None

ABSENT: Landess, Latham, Muller

D. Consideration of and Possible Action on a Proposed Order Approving State Loan Program Revenue Bond Loan Funding Application for Broken Arrow Municipal Authority, Tulsa County. Recommended for Approval. Mr. Freeman stated the next item is a \$4.2 million loan request from the Broken Arrow Municipal Authority. They are requesting the loan to lay approximately 30,000 feet of water line throughout the city and for consulting and software for converting from an AMR system to an advanced infrastructure system. He said the loan will be funded through the FAP revenue Bond Loan Program, noted the provisions of the loan agreement, and said the debt coverage ratio stands at 2.22 -times. Staff recommended approval of the loan request.

Representatives for the City of Broken Arrow addressed the Board thanking them for their consideration.

There were no questions. Mr. Gorman moved to approve the loan, and Mr. Stallings seconded. There were no further questions or discussions and Mr. Darby called for the vote.

AYE: Stallings, Justice, Gorman, Castillo, Melton, Darby

NAY: None

ABSTAIN: None

ABSENT: Landess, Latham, Muller

E. Consideration of and Possible Action on a Proposed Order Approving State Loan Program Revenue Bond Loan Funding application for Wagoner Public Works Authority, Wagoner County. Recommended for Approval. Mr. Freeman stated Agenda Item E is a \$5,040,000 loan request from the Wagoner Public Works Authority. They are requesting the funds for various stormwater projects in the city. He advised the loan will be funded through the FAP Revenue Bond Loan Program, noted the provisions of the loan agreement and said the debt coverage ratio stands at 3.29 -times. Staff recommended approval.

Representatives for the Wagoner Public Works Authority addressed the Board thanking them for their consideration

There were no questions. Mr. Stallings moved to approve the loan, and Mr. Melton seconded. There were no further questions or discussions and Mr. Darby called for the vote.

AYE: Stallings, Justice, Gorman, Castillo, Melton, Darby

NAY: None

ABSTAIN: None

ABSENT: Landess, Latham, Muller

F. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for the Duncan Public Utilities Authority, Stephens County. Recommended for Approval. Mr. Freeman stated the next item on the agenda is a \$10,250,000 loan request from the Duncan Public Utilities

Authority. He advised they are requesting the loan for the installation of an advanced metering infrastructure system which will include approximately 13,000 water meters and 9,600 electric meters. He stated the loan will be funded through the Clean Water SRF Loan Program, noted the provisions of the loan agreement and said the debt coverage ratio stands at 1.59 -times. Staff recommended approval.

There were no questions. Mr. Gorman moved to approve the loan, and Ms. Castillo seconded. There were no further questions or discussions and Mr. Darby called for the vote.

AYE: Stallings, Justice, Gorman, Castillo, Melton, Darby

NAY: None

ABSTAIN: None

ABSENT: Landess, Latham, Muller

G. Consideration of and Possible Action on a Proposed Order Approving State Loan Program Revenue Bond Loan Funding Application for the Duncan Public Utilities Authority, Stephens County. Recommended for Approval. Mr. Freeman said the next item on the agenda is \$16.2 million loan request from the Duncan Public Utilities Authority. They are requesting the loan proceeds to replace water lines throughout the system and for water treatment plant improvements. Mr. Freeman stated the loan will be funded through the FAP Revenue Bond Loan Program, the provisions of the loan and said the debt coverage ratio stands at 1.59 -times.

There were no questions. Mr. Stallings moved to approve the loan, and Ms. Castillo seconded. There were no further questions or discussions and Mr. Darby called for the vote.

AYE: Stallings, Justice, Gorman, Castillo, Melton, Darby

NAY: None

ABSTAIN: None

ABSENT: Landess, Latham, Muller

H. Resolution Authorizing Defeasance of Oklahoma Water Resources Board Revolving Fund Revenue Bonds, Series 2013A (Master Trust). Mr. Freeman stated the last item is a resolution authorizing the defeasance of the Board's 2013A Drinking Water SRF Bond Issue. He stated the 2013A bond issue closed on September 19, 2103 in the amount of \$41,410,000 for the purpose of funding drinking water SRF loan projects. He advised the bond issue currently has an outstanding bond balance of \$23,985,000 which is eligible to be defeased. He said there are currently 15 outstanding loans associated with the bond issue with a combined loan balance of \$40,511,560.56. He advised the Board has received requests from a couple of borrowers to pay off their loans associated with the 2013A bond issue. After the two payoffs, \$962,982 in principle plus interest through the redemption date of April 1, 2023 is needed to completely defease the issue. Mr. Freeman said in order to be able to complete the defeasance, funds would need to be drawn from the Drinking Water State Revolving Fund Loan Program. He informed the Board that the funds from the paid off loans and funds from the Drinking Water SRF Loan Program will be held in escrow at BancFirst as Trustee and paying agent for the Board until the bonds will be able to begin to be redeemed on April 1, 2023. Mr. Freeman advised by completing the defeasance, the Board's borrowers associated with the issue will benefit from being able to pay off their loans and the Board will benefit by saving money by no longer paying interest on the 2013A bonds. Staff recommends approval.

Mr. Melton had a question for Mr. Freeman regarding the timeline and Mr. Freeman answered advising Mr. Melton this will remove the funds from the OWRB book until April 2023.

Mr. Darby asked if there were any other questions. There were no other questions and Mr. Gorman moved to approve. Mr. Stallings seconded. Mr. Darby then called for the vote.

AYE: Stallings, Justice, Gorman, Castillo, Melton, Darby

NAY: None

ABSTAIN: None

ABSENT: Landess, Latham, Muller

### 3. SUMMARY DISPOSITION AGENDA ITEMS

Any item listed under this Summary Disposition Agenda may, at the requested of any member of the Board, the Board's staff, or any other person attending this meeting, may be transferred to the Special Consideration Agenda. Under the Special Consideration Agenda, separate discussion and vote or other action may be taken on any items already listed under that agenda or items transferred to that agenda from this Summary Disposition Agenda.

A. Requests to Transfer Items from Summary Disposition Agenda to the Special Consideration Agenda, and Action on Whether to Transfer Such Items. There were no requests to transfer items to the Special Consideration Agenda.

B. Discussion, Questions, and Responses Pertaining to Any Items Remaining on Summary Disposition Agenda and Action on Items Listed. Vice Chairman Darby asked if there were changes to the Summary Disposition Agenda. There were none; he asked the Board's pleasure regarding the Summary Disposition Agenda items.

Mr. Melton moved to approve the Summary Disposition Agenda items, and Ms. Castillo seconded. Vice Chairman Darby called for the vote

AYE: Stallings, Justice, Gorman, Castillo, Melton, Darby

NAY: None

ABSTAIN: None

ABSENT: Landess, Latham, Muller

The following items were approved:

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

1. Rural Economic Action Plan (REAP) Applications:

<u>Item No.</u>	<u>Application No.</u>	<u>Entity Name</u>	<u>County</u>	<u>Amount Recommended</u>
None.				

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

1. Interagency agreement between OWRB and Office of the Secretary of Energy & Environment providing funding for the State of Oklahoma's Water Quality Management Planning Program to improve impaired water and protect unimpaired waters across the state.
2. Professional Engineering Services Agreement between OWRB and Freese and Nichols, Inc., to implement the FEMA Cooperative Technical Partner Program in Oklahoma by creating accurate flood hazard data for OWRB

E. Consideration of and Possible Action on Applications for Temporary Permits to Use Groundwater:  
None.

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

1. Noble Research Institute, LLC, Love County, #1975-784

- 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:  
None.
- I. Consideration of and Possible Action on Applications to Amend Prior Right to Use Groundwater:  
None.
- J. Consideration of and Possible Action on Applications to for Term Permits to Use Stream Water:  
None
- K. Consideration of and Possible Action on Applications for Regular Permits to Use Stream Water:  
None.
- L. Consideration of and Possible Action on Applications to Amend Regular Permits to Use Stream Water:  
None
- M. Consideration of and Possible Action on Well Driller and Pump Installer Licensing:
  - 1. New Licenses, Accompanying Operator Certificates and Activities:
    - a. Licensee: Mowdy Drilling DPC-0904  
Operator: Mike Mowdy OP-2044
  - 2. New Operators, Licensee Name Change, and/or Activities for Expiring Licensing:
    - a. Licensee: Talon LPE DPC-0619  
Operator: Jarod Michalsky OP-2388
- N. Consideration of and Possible Action on Dam and Reservoir Construction:  
None.
- 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, Tulsa County, #FP-2021-13
  - 2. Oklahoma Department of Transportation, Kingfisher County, #FP-2021-14
  - 3. Oklahoma Department of Transportation, Logan County, #FP-2021-15
- P. Consideration of and Possible Action on Applications for Accreditation of Floodplain Administrators:
  - 1. Keven Hegerberg, Town of Newcastle, #FPA-019
  - 2. Steven Aary, Town of Spiro, #FPA-020

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

- A. No Items.

**5. SPECIAL CONSIDERATION**

A. No Items.

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

**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 or any revised agenda.

There were no New Business items for the Board's consideration.

**7. ADJOURNMENT**

There being no further business, Vice Chairman Darby adjourned the Regular Meeting of the Oklahoma Water Resources Board at 10:11 a.m., on November 16, 2021.

**OKLAHOMA WATER RESOURCES BOARD**

                  /s/                    
Matt Muller, Chairman

                  /s/                    
Charles Darby, Vice Chairman

                  /s/                    
Robert L. Melton, Sr.

                  /s/                    
Suzanne V. Landess

                  absent                    
Robert L. Stallings, Jr.

                  absent                    
Thomas A. Gorman

                  /s/                    
Ron Justice

                  absent                    
B. Latham

***ATTEST:***

                  /s/                    
Jennifer Castillo, Secretary  
(SEAL)