

**OKLAHOMA WATER RESOURCES BOARD  
OFFICIAL MINUTES  
May 8, 2007**

**1. Call to Order**

The regular monthly meeting of the Oklahoma Water Resources Board was called to order by Chairman Rudy Herrmann at 1:30 p.m., on May 8, 2007, in the Governor's Large Conference Room 212 State Capitol Building 2300 N. Lincoln 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 May 1, 2007, at 4:20 p.m. at the Oklahoma Water Resources Board's offices.

**A. Invocation**

Chairman Herrmann asked Mr. Ed Fite to provide the invocation. He asked Mr. Sevenoaks to serve as Acting Secretary in the absence of OWRB Secretary Bill Secrest. Chairman Herrmann also said that legislators may attend as they are able in regard to certain agenda items, and he will move to those agenda items as necessary.

**B. Roll Call**

**Board Members Present**

Rudy Herrmann, Chairman  
Mark Nichols, Vice Chairman  
Ford Drummond  
Ed Fite  
Jack Keeley  
Kenneth Knowles  
Richard Sevenoaks

**Board Members Absent**

Bill Secrest, Secretary  
Lonnie Farmer

**Staff Members Present**

Duane A. Smith, Executive Director  
Dean Couch, General Counsel  
Mike Melton, Chief, Administrative Services Division  
Joe Freeman, Chief, Financial Assistance Division  
Monte Boyce, Comptroller  
Lou Klaver, Chief, Planning and Management Division  
Derek Smithee, Chief, Water Quality Programs Division  
Mary Lane Schooley, Executive Secretary

**Others Present**

Robert M. Jones, Capitol West, Oklahoma City, OK  
Jim Barnett, Environmental Federation of Oklahoma, Oklahoma City, OK  
Mark Lakes. Kiowa Tribe, Carnegie, OK  
Cheryl Dorrance, Oklahoma Municipal League/Oklahoma Municipal Utilities Provider,  
Oklahoma City, OK  
Marla Peek, Oklahoma Farm Bureau, Oklahoma City, OK  
Lawrence R. Edmison, Sierra Club, Oklahoma City, OK  
Mike Schrammel, Rural Development, Stillwater, OK  
Tommy Earls, Hobart, OK  
Kim Winton, US Geological Survey, Oklahoma City, OK  
Ilajoy Covalt, Woodward, OK  
Dale Covalt, Woodward, OK  
Ron and Aliene Bechard, Woodward, OK  
Alice Davis, Harrah, OK  
Bill Lisby, Harrah, OK  
Earl Burson, Harrah, OK  
Bud Ground, Public Service Company of Oklahoma, Oklahoma City, OK  
Ron Cooke, Save Our Water Lake Eufaula, Oklahoma City, OK  
Jimmy E. Seago, Osage County Rural Water District #15, Skiatook, OK  
Rob Haskins, Guy Engineering, Tulsa, OK  
Julie Guy, Guy Engineering, Tulsa, OK  
Nathan Madeware, CH Guernsey, Oklahoma City, OK  
Chris Bruehl, Oklahoma House of Representatives, Oklahoma City, OK  
Bobby and Donna McSpadden, 8671 Savage Highway, Clayton, OK  
Josh McClintock, 9224 Sutton Place, Oklahoma City, OK 73132  
Angie Burckhalter, 3555 N.W. 58<sup>th</sup> Street, Oklahoma City, OK 73132

**C. APPROVAL OF MINUTES**

Chairman Herrmann stated the draft minutes of the April 10, 2007, Regular Meeting have been distributed. He stated he would accept a motion to approve the minutes unless there were changes. Mr. Nichols moved to approve the minutes of the April 10, 2007, Regular Meeting, as presented, and Mr. Sevenoaks seconded.

AYE: Drummond, Fite, Keeley, Knowles, Nichols, Sevenoaks, Herrmann  
NAY: None  
ABSTAIN: None  
ABSENT: Farmer, Secrest

**D. EXECUTIVE DIRECTOR’S REPORT**

Prior to Mr. Smith’s report, Chairman Herrmann stated that today was to be “Bill Secrest Day at the Capitol,” ending his 24-year service as a member of the Oklahoma Water Resources Board; however, he was unable to attend. The OWRB has been in existence for 50

years, so he has been involved for one-half of that time. Chairman Herrmann asked, and the audience responded thunderously, for a round of applause to Mr. Secrest for his service.

Chairman Herrmann added that at the June Board meeting would be the annual election of officers. He reminded the members the chair may serve two terms consecutively, but no more than that and he is at the end of his two-year service as chair, and Mr. Nichols will be at the end of his two-year consecutive term as Vice-Chair; Mr. Secrest will be ending his term as Secretary.

Mr. Duane Smith, Executive Director, began his report to the members stating on May 2, 1957, the Oklahoma Water Resources Board was created. He reported on the first public input meetings of the Oklahoma Comprehensive Water Plan held in Beaver, Oklahoma, where 103 people attended, and four meetings have been held with an average of 80 persons attending, providing ideas. There is a positive response on the manner in which the Water Resources Institute is conducting the meetings and at the end of the day, he expects good quality recommendations on how to better manage Oklahoma's water resources. He mentioned the recent rains and front-page articles about dams and flood control structures in the state and that the flooding would be tremendous were they not in place. He said the state is very fortunate for the foresight of the people that were able to see the need and had the leadership to implement those activities; the time is ours now with the Comprehensive Water Plan—we can look back and be thankful, but we need to look forward and take care of the future generations of Oklahomans that come behind us; it's a big responsibility, and this window of opportunity we have now is critical.

Mr. Smith said the Red River Compact Commission met April 24, and he reported a “baby-step” had been taken at the meeting, involving Sweetwater Creek and the Upper Reach of the Red River. Sweetwater Creek is a tributary of the North Fork of the Red River that is a tributary of the Red River; Lugert-Altus Reservoir is located on the North Fork. There are rules between the states where Texas can take 60% of the water that is flowing from Texas to Oklahoma and the downstream state gets 40% of that flow. Texas has proposed the apportionment not be on a stream-by-stream basis, but on a watershed basis, taking all of the flow from Sweetwater Creek and give Oklahoma a bit more than the 60% of the flow from the North Fork, for the obvious reasons that the quality is better, and Texas has proposed a reservoir in Wheeler County on Sweetwater Creek to retain water for agriculture and municipal use. A major “sticking point” for Oklahoma, the state's position has been the compact should be interpreted as every interstate stream while Texas thought it should be every watershed. It takes a unanimous vote to pass rules in the compact and rules have not been passed because Texas would not vote for the rules. At this meeting, a resolution was passed for the compact to give guidance to the Engineering and Legal Committees to draft rules in accordance with the inter-stream system like Oklahoma wants. Arkansas and Louisiana agreed with Oklahoma, with Texas the only dissenting vote, and the resolution passed. There are no rules, but the states are on record, Texas the only state that doesn't agree, but Mr. Smith said Oklahoma views it as progress. Mr. Sevenoaks asked if there was any discussion about the lawsuit; Mr. Smith said there was no discussion about the lawsuit at the compact meeting.

Chairman Herrmann interrupted stating the Speaker of the House Lance Cargill has joined the meeting, and under the Financial Assistance Division, there is consideration of a proposed order approving an emergency grant for the City of Harrah, and he asked Mr. Joe Freeman to present the item.

2.A. Consideration of and Possible Action on a Proposed Order Approving Emergency Grant for City of Harrah, Oklahoma County. Recommended for Approval. Mr. Joe Freeman, Chief, Financial Assistance Division, stated that this emergency grant request from the City of Harrah is requesting a \$70,000.00 emergency grant to help fund temporary repairs needed as a result of an explosion in the wastewater treatment plant lab and shop building which housed the plant's electrical controls. The explosion was caused by a gas leak in the building with a gas water heater, and rendered the plant inoperable. The project consisted of temporary electrical and lab repairs that are set up in a portable steel building. The total cost of the repairs was \$117,910.00; the OWRB grant request will be used along with \$47,910.00 in local funds. Staff recommended approval.

Mr. Freeman introduced Councilman Bill Lisby, Ms. Alice Davis, City Clerk, Speaker Cargill, Earl Burson, City Manager, and Jeanette Nance of the Governor's Office, who were present in support of the grant request.

Mr. Sevenoaks moved to approve the emergency grant to the City of Harrah, and Mr. Drummond seconded.

AYE: Drummond, Fite, Keeley, Knowles, Nichols, Sevenoaks, Herrmann  
NAY: None  
ABSTAIN: None  
ABSENT: Farmer, Secrest

Chairman Herrmann thanked those who attended and for the support from the Legislature for this program. Speaker Cargill thanked the Board for its great work and he complimented Mr. Smith and the Board's staff. He said he appreciated participating in the Water Day activities, and look forward to working with the Board on this very important issue for the future of Oklahoma.

Mr. Smith added that the grant funds are generated from legislative appropriations that act as a reserve and the interest from the reserve supports the grant account, which funds can then go for priorities such as this project for the City of Harrah. Without the legislative support, the program would not be available.

Continuing with his director's report, Mr. Smith noted that under 3.D.5. on today's agenda, there is consideration of the Sardis Lake Interlocutory Agreement with Sardis Lake Authority for additional storage. Because the State is in court with Federal government, this is the process for federal court approval for the Corps of Engineers to assign \$25,000 for another 190 acre-feet of storage for additional needs that have been identified. He said he anticipates the Authority will apply for a REAP grant because a REAP grant had been given for previous storage costs for the Authority.

Regarding the legislative update, Mr. Smith said it is down to budget issues and any additional money for the OCWP, but there aren't any bills remaining that affect the OWRB programs, although anything can become active, and staff is monitoring closely. He said the legislature is relying on the OCWP process to "bubble up" ideas on how water policy should be impacted, and the Board has enjoyed support from the legislative delegation.

Mr. Smith concluded his report recognizing the effort of Board Member Ford Drummond and his achievement of 3:29:32 time run in the Oklahoma City Memorial Marathon.

## 2. FINANCIAL ASSISTANCE DIVISION

(2.A. considered above.)

B. Consideration of and Possible Action on a Proposed Order Approving Increase in Obligation of Funds for Rural Water Management District #15, Osage County. Recommended for Approval. Mr. Freeman stated to the members that Osage County Rural Water Management District #15 has requested an increase in loan funds. The District's new loan request is for \$2,953,170, an \$1,310,622 increase which is a result the engineer's estimate increasing by approximately \$1 million, and bids coming in about \$300,000 higher than the estimate. The loan is for constructing 8,500 feet of 12-inch water line, 18,500 feet of 8-inch water line, a 250,000-gallon water storage tank, and two booster pump stations. Mr. Freeman noted provisions of the loan agreement, and added that the District has experienced steady water connection growth for the last several years, with the number of customers increasing by nearly 8% since 1990 to over 3,300 customers. The District currently has one other loan with the Board and maintains a good relationship. With the loan fully funded, and no additional growth, the District's debt coverage stands at approximately 1.26-times. It is estimated the District will save \$710,000.00 in interest by borrowing from the Board. Mr. Freeman said that staff recommended approval.

Mr. Jimmy Seago, District Manager, Mr. Rob Haskins, engineer, Ms. Julie Guy, engineer, and Representative Scott Bighorse, were present support of the request.

Mr. Fite moved to approve the request for increase in obligation of funds to the Osage County RWMD #15, and Mr. Knowles seconded.

AYE: Drummond, Fite, Keeley, Knowles, Nichols, Sevenoaks, Herrmann

NAY: None

ABSTAIN: None

ABSENT: Farmer, Secrest

Mr. Ford Drummond introduced Representative Scott Bighorse of Pawhuska who was recognized for his support of the OWRB financial assistance program.

C. Presentation of Standard and Poor's Credit Rating Analysis of the Oklahoma Water Resources Board's Outstanding Debt Obligations. Mr. Freeman introduced Mr. Mal Fallon of Standard and Poor's rating services who presented to the Board the credit rating analysis of the Board's bond rating for its outstanding debt obligations.

Mr. Fallon stated to the members that he had been following the ratings of the Board for 20 years and this is the first time the Board maintains two AAA ratings in terms of the State Loan program and under the Master Trust program with the State Drinking Water and Clean Water Act funds. Mr. Fallon said the Board has the highest rating, and he asked that the Board not do anything to change it. He introduced Mr. James Breeding who will be working with the Board's staff as primary analyst. Simply stated, Mr. Fallon said, the reason why the rating remains AAA is because over the years the Board, from the area of financial management to the Executive Director, is that the Board does what it says it will do, there is an element of "stickability" which is an important part of the rating process. He distributed published analysis of both programs, the report card on the state revolving loan fund sector, and analysis on the State general obligation bond rating which is generally AA; at the moment the revenue bonds issued by the OWRB are rated higher than the State's GO bond rating. He said that the primary

underpinnings for the rating is strong financial management and oversight of the program, the careful maintenance of the portfolio that constitutes the primary assets for the loan program, as well as strong debt service coverage and strong legal provisions; over time, it is the strong financial management that is the primary factor.

There were a few questions by Board members. Chairman Herrmann recognized those members of the Financial Assistance Program Division who were present for their work, and Mr. Freeman and Mr. Smith for their leadership.

### 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.

Chairman Herrmann read the statement above and asked for requests to move items. Ms. Lou Klaver asked to withdraw Summary Disposition Agenda item G.1., application # 2007-506 for regular groundwater permit by the City of Cleveland be withdrawn from the Board’s consideration. There were no requests to move any agenda items to the Special Consideration Agenda.

#### B. Discussion, Questions, and Responses Pertaining to Any Items Remaining on Summary Disposition Agenda and Action on Items and Approval of Items 3.C. through 3.O.

There being no further questions or discussion regarding items on the Summary Disposition Agenda, Chairman Herrmann asked for a motion. Mr. Nichols moved to approve the Summary Disposition Agenda as amended, and Mr. Drummond seconded. Chairman Herrmann noted the contracts with former employees/companies operated by former employees; Mr. Smith said these are continuations of contracts for a limited basis with former employees.

AYE: Drummond, Fite, Keeley, Knowles, Nichols, Sevenoaks, Herrmann  
 NAY: None  
 ABSTAIN: None  
 ABSENT: Farmer, Secrest

#### **The following items were approved:**

#### C. Consideration of Approval of the Following Applications for REAP Grants in Accordance with the Proposed Orders Approving the Grants:

<b>REAP</b>				<b>Amount</b>
<b><u>Item No.</u></b>	<b><u>Application No.</u></b>	<b><u>Entity Name</u></b>	<b><u>County</u></b>	<b><u>Recommended</u></b>
ACOG				
1.	FAP-04-0019-R	Rural Water, Sewer & Solid Waste Management District #4	Canadian	\$99,999.99

GGEDA

2.	FAP-03-0009-R	Delaware Public Works Authority	Nowata	99,990.00
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OEDA

3.	FAP-06-0002-R	Rural Water District #2	Woods	30,900.00
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**D. Consideration of and Possible Action on Contracts and Agreements, Recommended for Approval:**

1. Professional Services contract with Michael Albano for Planning and Management Division.
2. Professional Services contract with Records Solutions, Inc. to provide services of Jann P. Hook.
3. Professional Services contract with WK Morris Consulting, LLC to provide services of W. Kenneth Morris.
4. Professional Services contract with Sparks Write, Inc. to provide services of Terri G. Sparks.
5. Supplemental Interlocutory Agreement between United States of America, State of Oklahoma and OWRB for water storage from Sardis Lake for use by the Sardis Lake Water Authority.
6. Renewal Lease Agreement with Burgess & Burgess for OWRB Lawton office.
7. Contract with Oklahoma Ground Water Association (“OGWA”) to provide specialized training and continuing education courses for licensed well drillers and pump installers in the State of Oklahoma.
8. Amendment to Agreement for the Clean Water Act, Regional Monitoring and Assessment Program between Office of the Secretary of the Environment and OWRB.
9. Agreement with American Municipal Tax-Exempt Compliance Corp. for arbitrage rebate calculation and consulting services.
10. Lease Agreement with Mori White for OWRB Woodward office.

**E. Applications for Temporary Permits to Use Groundwater:**

1. John & Lola Lamle and James Lamle, Alfalfa County, #2006-598
2. Oklahoma Christian University, Inc., Oklahoma County, #2006-603
3. Steve & Dixie Conrad, Muskogee County, #2006-604

4. Kenneth & Regina Carel, Louise Carel, Randall N. & Kellie L. Carel, Ronald Carel, and Charles Carel, Canadian County, #2006-611
  5. Easton Family Limited Partnership, Tulsa County, #2007-504 .
- F. Applications to Amend Temporary Permits to Use Groundwater:  
None
- G. Applications for Regular Permits to Use Groundwater:
1. *City of Cleveland, Pawnee County, #2007-506 Item withdrawn*
  2. Ernest E. & Marsha A. Barnes, Texas County, #2007-508
  3. Aspen Air, L.L.C., Woodward County, #2007-512
- H. Applications to Amend Regular Permits to Use Groundwater:  
None
- I. Applications to Amend Prior Rights to Use Groundwater:  
None
- J. Applications for Regular Permits to Use Stream Water:
1. Steve & Dixie Conrad, Muskogee County, #2006-061
  2. Easton Family Limited Partnership, Wagoner County, #2007-001
  3. Easton Family Limited Partnership, Tulsa County, #2007-002
- K. Applications to Amend Regular Permits to Use Stream Water:  
None
- L. Well Driller and Pump Installer Licensing:
1. New Licenses, Accompanying Operator Certificates and Activities:  
C. FMSM Engineers, DPC-0685
  2. New Operators, Activities for Existing Licenses:
    - a. Layne Western, DPC-0123
    - b. Standard Testing and Engineering, DPC-0244
- M. Dam and Reservoir Plans and Specifications:  
None
- N. Permit Applications for Proposed Development on State Owned or Operated Property within Floodplain Areas:
1. Department of Transportation, Atoka County, FP-07-07
  2. Department of Transportation, Bryan County, FP-07-09
  3. Department of Transportation, Atoka County, FP-07-19
- O. Applications for Accreditation of Floodplain Administrators:  
Names of floodplain administrators to be accredited and their associated communities are individually set out in the May 8, 2007 packet of Board materials

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

There were no items.

**5. SPECIAL CONSIDERATION**

For INDIVIDUAL PROCEEDINGS, a majority of a quorum of Board members, in a recorded vote, may call for closed deliberations for the purpose of engaging in formal deliberations leading to an intermediate or final decision in an individual proceeding under the legal authority of the Oklahoma Open Meeting Act, 25 O.S. 2001, Section 307 (B)(8) and the Administrative Procedures Act, 75 O.S. 2001, Section 309 and following.

A majority vote of a quorum of Board members present, in a recorded vote, may authorize an executive session for the purposes of CONFIDENTIAL COMMUNICATIONS between the public body and its attorney concerning a pending investigation, claim, or action if the public body, with the advice of its attorney, determines that disclosure will seriously impair the ability of the public body to process the claim or conduct the pending investigation, litigation, or proceeding in the public interest, under the legal authority of the Oklahoma Open Meetings Act, 25 O.S. 2001, Section 307(B)(4).

**A. Application to Amend Regular Permit to Use Groundwater No. 2001-549, Ronald & Aliene Bechard, Woodward County**

(1) Summary – Ms. Lou Klaver, Chief, Planning and Management Division, stated to the members that this application is to amend an existing regular groundwater permit that authorizes the use of 10 acre-feet of groundwater per year for a bottled water plant. The current permit is from land overlying the North Canadian Phase I Groundwater Basin, which is a studied basin and each landowner is entitled to one acre-foot per acre of groundwater. The landowners have dedicated ten acres of land, and use one well located on the 10 acre-tract. The applicant has requested an amendment to the regular permit to add 135 acres of land next to the 10 acres, and overlying the same basin and using the same well, and is requesting the authorization of an additional 135 acre-feet of water. Presently, the applicants bottle 5-8,000 bottles of water per hour, and are looking to increase the operation up to 10,000 bottles per hour.

Ms. Klaver stated a hearing was conducted, and the permit was protested by three neighbors adjoining to the 145 acres in Woodward County. The hearing examiner found the applicant owned the additional 135 acres, that the land overlies the same basin—the North Canadian Phase I and Rush Springs, and that the study has been done allowing one acre-foot of water per acre of land. The beneficial use remains unchanged from the original permit issued in 2001, the hearing examiner found that waste will not occur, the plant is located one-half mile from the well, the applicants lives on the dedicated land, and there is a meter in place with no over use reported in the past, and there was no indication of over-use. However, if losses or leaks occur, the applicant will be able to repair quickly.

Ms. Klaver stated that the issue today regards the protestant's concerns that their groundwater well may be impacted negatively and that the groundwater level may drop. The evidence shows that the domestic wells (those of the protestants) are not within one-half mile of

the Bechard well. The current well has been in place for more than a decade, and will be the only well used. There is a livestock well owned by the Covalts that is approximately 1,056 feet away from the Bechard well. The hearing examiner took into consideration evidence that the Bechard well is approximately 80 feet deep, there is a saturated thickness of approximately 50-feet and they pump at 80 gallons per minute for approximately 260 days out of the year. Approximately 8,000 gallons of water is pumped into a storage tank, and once filled the pumping is stopped until the tank needs to be filled again. The hearing examiner found, based on the evidence in the record, that it did not appear a drawdown of more than three feet would occur in the livestock well, which the hearing examiner found not to be unreasonable. Additionally, the well-spacing requirement had been met, and the hearing examiner is proposing to the Board to recommend amending the regular permit to increase to 145 acre-feet, from 10 acres of land, and from the same well location.

Mr. Drummond asked if the permit regarded more water from the same well and is the additional land adjacent to the current 10 acres. Ms. Klaver confirmed the permit is for more water from the same well and that the land is adjacent to the 10 acres. She added the protestants are to the northeast and south of the 145 acre-tract; and withdrawal is from the same basin. The Covalts and Twyla Eddings-Worthy are the protestants, with the Covalts also representing Ms. Eddins-Worthy.

3. Presentation by parties. Chairman Herrmann invited the applicant and protestant to make comments to the Board, allowing five minutes for each. Mr. Ron Bechard spoke to the members saying he had lived in Woodward County since 1978, and there has been concern about what he is asking for, but to compete in the market place, he needed the additional water. He said he estimated that 24 hours of bottling at 10,000 bottles per hour at 16-ounce bottles would equal about three-million gallons per year. He said the water is high quality, there is no treatment, and he anticipated that the market will grow. He thanked the Board's staff for their assistance, and he emphasized how important water is to our lives and he would not waste it.

Mr. Covalt addressed the members and said that their concern is that livestock is their only source of income they are concerned about water for their cattle. He asked for a measurement on the well so that it is known what the water situation is. He said he also has a creek that supplies the livestock in two other sections and he is concerned if depletion would happen because of the increase in water use.

Ms. Klaver responded the Board operates an annual mass measurement program where wells across the state are measured, and the majority are in the panhandle. The original permit is for 10 acre-feet which Ms. Klaver said the applicant's use has been below the 10 acre-feet. She said the Covalts well could be added to the measurement program.

Mr. Covalt asked if it is efficient for the Board to measure wells just once each year. Mr. Smith answered that it probably is not to determine what is going on in a particular location; however, the Board does not have enough staff to measure on a monthly basis or more often, or the money to place continuous recorders on wells and typically in these cases these people are placed on the mass measuring program and we can train people how to put a tape town a well and record measurements

Ms. Covalt asked that it if were possible to have the well measured prior to the increased used by Mr. Bechard so that a starting depth is known. She also requested a visual inspection of the stream water because it is the only source of water for the livestock, that the well is located only 1056 feet away, and has been in existence since the early 1940s.

Mr. Smith committed that OWRB staff would work with these people to measure the water well in the near future in order to have water levels recorded before there is increased use. Mr. Covalt asked if he measured the well in between times, and there is a change, what happens? Mr. Smith answered that at that point, contact the Board and the staff will conduct an investigation.

Mr. Keeley asked about the saturated thickness, and Chairman Herrmann asked if modeling had been conducted. Ms. Klaver responded the saturated thickness is at about 50 feet, the wells are located ½-mile and further away from the applicant's well, and that modeling had been conducted estimating the drawdown could be estimated to have an impact up to three feet. Mr. Smith added this area has been studied, the USGS had conducted the modeling, the equal proportionate share was reduced to one acre-foot per acre, and the other big user in the area is Woodward. Mr. Fite asked about future growth beyond 3 million gallons of water per year; Mr. Bechard answered their growth depended upon the market, he has contracts now he cannot fulfill, but there is potential.

Mr. Drummond asked what recourse the Covalts have if their livestock well is impacted. Ms. Klaver said it is different than a temporary permit, a basin study has been conducted and staff feels confident that people should be able to take one acre-foot per acre without depleting the basin in accordance with the law. She said the Board would look closely at the pumping rate and when they pump, but it is a regular permit. Mr. Bechard said he has a city water meter on the well currently, and Ms. Covalt reiterated her desire the well be measured at intervals.

3. Possible executive session. The Board did not vote to enter executive session.

4. 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 Herrmann asked for a motion if there were no further questions. Mr. Sevenoaks moved to approve the amendment to regular permit application 2001-549, and Mr. Drummond seconded.

AYE:	Drummond, Fite, Keeley, Knowles, Nichols, Sevenoaks, Herrmann
NAY:	None
ABSTAIN:	None
ABSENT:	Farmer, Secrest

Mr. Sevenoaks commented that there is a moratorium on taking water from the Arbuckle-Simpson watershed, and there is little difference that taking bottled water from the watershed as it is pumping it out of the watershed. Chairman Herrmann commented, as an observation, that in thinking of the water planning process and reviewing technical information regarding recharge relative to irrigation use where not everything becomes evapo-transportation—some of the water applied to a crop ends up back in a reservoir or back in the groundwater which is not necessarily the case in this situation.

## **6. PRESENTATION OF AGENCY BUDGET REPORT.**

Mr. Monte Boyce addressed the members and stated the financial report for the month ending April 30, 2007. He said 83% of the fiscal year has been completed, and budgeted and expended 83% of the funds, and have collected 83% of funds. There were no other questions regarding the budget report.

Mr. Smith commented that data collection and data management is key to the Board making any type of decision such as the discussion on the permit matter earlier. He said there isn't enough data, and the budget is not being increased, and while costs go up other areas--as well as gasoline prices and travel costs increasing—other areas are cut such as streamgages and the mass measurement program. He said it is frustrating to listening to citizens who want answers about their water resources while the situation regarding data is critical and he encouraged members of the audience to express the need for funding for data collection to their legislators.

There was some discussion among the members about what the needs are and what the Board's response should or could be, and how the comprehensive water planning process can address the concerns.

## **7. CONSIDERATION OF SUPPLEMENTAL AGENDA, IF ANY.**

There were no Supplemental Agenda items for the Board's consideration.

**8. Consideration of Update Report on Oklahoma Comprehensive Water Plan Activities, Including Budget, Public Meetings and Technical Studies, Recommended for Approval.** Chairman Herrmann stated that Mr. Dave Dillon would present a report on the water planning activities, and how certain monies are to be spent, and from time to time will ask the Board to ratify certain actions as they relate to the budget on the plan.

Mr. Dave Dillon commented about the work done by staff members Brian Vance and Darla Whitley on a recent publication that summarizes water-planning information and is distributed at the public input meetings. He spoke to the members about the following categories of planning activities.

A. Budget report. Mr. Dillon noted in the agency budget report the Water Infrastructure Development Fund and said the agency has received approximately \$1.2 million to date from the Gross Production Tax. Of that, \$524,447 has been budgeted, expended to date is \$130,000, encumbered funds total \$318,000 (representing the contract with the Water Research Institute), with the balance at \$76,274. He said not much has been spent so far, but activities are "ramping up" and a year from now the budget will look much different. He added that of the \$1.2 million received to date, approximately \$700,000 will carry over.

B. Public meetings. Mr. Dillon distributed the schedule of meetings through October 2007, and he informed the members about the attendance and subjects brought up at the four meetings held to date, and the information available on the WRI website, how the meetings are advertised by the WRI and other cooperative organizations such as OML. Many complimentary responses have been received regarding the conduct and content of the meetings.

Mr. Smith talked about the preface of the meetings and some controversial comments that the Board is trying to slant the public view. He said the intent of the presentation is to provide data to the public, but by far the comments have been positive. Mr. Nichols added he is encouraged by the comments he has received from the agriculture community, and in particular Secretary Terry Peach thought the meetings have been outstanding. Mr. Dillon said in addition to the public meetings, various staff are making presentations at different organization meetings and conferences as well.

C. Technical Studies. Mr. Dillon reminded the members he had been working with the Association of Regional Councils of Governments which had also applied for a USDA grant for a mapping project; however, they did not receive the grant, so that project will have to be re-evaluated.

The technical studies that will be developed through the U.S. Army Corps of Engineers that will help support the plan will be contracted through the IWR (Institute for Water Resource). He presented the proposal for programmatic planning support to develop the framework for the technical assistance. He said the Board's Ad Hoc Committee on Planning has reviewed the scope of work. Mr. Dillon said that under the scope of this work, the contractor, with support from the OWRB and the Corps of Engineers, will provide planning support to define the technical goals, develop the guidance and protocol for information collection, develop a common platform for the necessary technical analysis, and to develop an approach to bringing the sources of information together to form the OCWP. The scope of the work is organized under three tasks: (1) delineate OCWP goals and objectives (2) establish common technical platform, and (3) develop programmatic work plan. The deliverables are the draft and final Programmatic Work Plan document, and meeting materials for Workshops 1 and 2. He said the work would receive scrutiny and review by various partners, i.e., Municipal League, US Geological Survey, Rural Water Association, done by the contractor through the US Army Corps of Engineers over the course of approximately 5 months.

Regarding the funding, Mr. Dillon stated the Board has an agreement that was approved in 2001 that had a small amount of funds left, coupled with additional funds the COE obtained from the FY'07 budget. The maximum match is estimated at \$150,000 of state water plan funding, that could span both FY'07 and FY'08. The money will be matched by equal amount with the COE under the existing agreement. He said that the leading engineering firm appears to be CDM (Camp, Dresser, McKee) and he anticipated—although it is the COE's contracting responsibility—the COE will contract through IWR (they will negotiate the contract). The Board action today, Mr. Dillon said, would acknowledge the intended expenditure of up to \$150,000 and matched with the COE for existing improvements to hire the lead engineering firm to do the scope of work on the program for the technical support.

Mr. Dillon added the agency is also pursuing other projects through the Bureau of Reclamation, US Geological Survey and as those efforts take place and require funding, he will bring that to the Board. Chairman Herrmann said in summary, then, is the budget report, the update on the public meetings, the outline of direction in regard to the lead technical contractor and the cost of \$150,000 for the contract the COE is contracting on the Board's behalf. Chairman Herrmann asked for a motion to accept the report.

Mr. Knowles moved to accept the report on the OCWP, and Mr. Fite seconded. There was no further discussion.

AYE:	Drummond, Fite, Keeley, Knowles, Nichols, Sevenoaks, Herrmann
NAY:	None
ABSTAIN:	None
ABSENT:	Farmer, Secrest

Mr. Smith said we are asking the Legislature to remove the cap (on the funding) and that would give more money to the agency for water planning. He said the effort particularly regarding the mapping – which was to work with the COGs to map existing water infrastructure – will now be a difficult task simply because of the money because they did not received the grant. Different alternatives are being researched, such as pilot programs with electric utilities/cooperatives, but if the cap is not removed, we won't be able to do the mapping that was intended and won't be able to shorten the time frame for completion of the plan. There is difficulty with the communities understanding their own infrastructure, and most of the communities—other than the larger cities—do not have an accurate map of their lines. And in looking through the planning effort to get the communities to look at regionalization and hooking

up more customers onto water supply, there are not accurate maps to show where there are lines and what lines are needed. He is concerned the quality of the end product will depend upon good the mapping resources.

Mr. Smith said the staff would be making an effort to sit down with legislators about the local comments received at the public meetings in their districts. He added that he has made several trips to Washington, D.C. to talk the Oklahoma Congressional delegation and a big piece of the water plan funding is federal match from the Corps of Engineers. He said he has worked with the Environment and Public Works Committee and Senator Inhofe's staff primarily who has assisted in getting funding in the Water Resources Development Act. He complimented the delegation's effort, and said the Board needed to be taking full advantage of avenues of funding in Washington, D. C.

**9. 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.

**10. ADJOURNMENT**

There being no further business, Chairman Herrmann adjourned the regular meeting of the Oklahoma Water Resources Board at 3:10 p.m. on Tuesday, May 8, 2007.

**OKLAHOMA WATER RESOURCES BOARD**

\_\_\_\_\_/s/\_\_\_\_\_  
Rudolf J. Herrmann, Chairman

\_\_\_\_\_/s/\_\_\_\_\_  
Jess Mark Nichols, Vice Chairman

\_\_\_\_\_/s/\_\_\_\_\_  
Lonnie Farmer

\_\_\_\_\_/s/\_\_\_\_\_  
Jack W. Keeley

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

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

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

\_\_\_\_\_/s/\_\_\_\_\_  
Kenneth K. Knowles

\_\_\_\_\_/Absent\_\_\_\_\_  
Linda Lambert

ATTEST:

\_\_\_\_\_  
Acting Secretary  
(SEAL)