

MINUTES OF THE REGULAR BOARD MEETING
CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

Thursday, July 11, 2024

6:30 P.M.

Location: 12500 Alameda Dr. Norman, OK 73026

A. Call to Order

President Amanda Nairn called the meeting to Order at 6:30 pm.

Roll Call

Board Members Present:

President Amanda Nairn

Vice President Michael Dean

Secretary Dave Ballew

Edgar O'Rear

Bryan Hapke

Board Members Absent:

Espaniola Bowen

Steve Carano

Staff Present:

Kyle Arthur, General Manager

Kelley Metcalf, Office Manager

Tim Carr, Operations & Maintenance Supervisor

Others Present:

Dean Couch

Paul Streets, Midwest City

Rachel Croft, Norman

Ashley Dixon, Bureau of Reclamation

Jann Knotts, Norman

Virtual

Alan Swartz, Plummer and Associates

B. Statement of Compliance with Open Meeting Act

Kelley Metcalf, Office Manager, stated the notice of the monthly board meeting had been posted in compliance with the Open Meeting Act.

C. Administrative

1. Public Comment

None

Ms. Nairn welcomed Mr. Hapke, City of Norman representative, to the board and asked everyone to introduce themselves.

2. Recognition of Jann Knotts for her service to the District

Ms. Nairn thanked Ms. Knotts for her camaraderie, loveliness and top-notch skills that she provided for 10 years. Ms. Knotts was presented with a plaque.

3. Easement for new pipeline alignment across Tinker Air Force base

Please see document titled “Department Of The Air Force Grant of Easement For Department Of The Interior Bureau of Reclamation On Tinker Air Force Base, Oklahoma” in the packet.

Ms. Nairn explained the original Agenda had this item as an action item. Due to some questions from Mr. Dean and Del City, an amended agenda was issued, moving the item to the discussion portion of the meeting.

Ms. Nairn and Mr. Arthur provided the Board with some background. The draft Grant of Easement is related to the current project to relocate a portion of the Del City pipeline that traverses across the former General Motors assembly plant now owned by Tinker Air Force Base (TAFB). The base is currently expanding and desires to build new facilities in the easement of the existing pipeline. At their own expense, the Air Force is relocating the pipeline to allow for the new construction. A new easement will need to be established for the new alignment.

This Grant of Easement is unique in that it names the District, in addition to the Bureau of Reclamation (BOR), as a co-Grantee. This is not true of any of the other easements that exist. In the past, gaining security clearance has proved difficult. The hope is that having the District listed as a co-Grantee would facilitate future security clearance.

With that introduction and background, Ms. Nairn introduced Ms. Ashley Dixson of the Bureau of Reclamation (BOR).

Ms. Dixson stated the BOR will be writing a new grant due to the concerns expressed prior to the meeting, particularly regarding the termination clauses. Ms. Dixson would like to propose allowing her some time to rewrite the contract. On completion she will provide it to the General Manager, Mr. Arthur.

Mr. Hapke asked what segment of the current pipeline is on TAFB property. Exhibit B, “Map of Premises” was viewed.

Mr. Ballew asked if the easement was presented as a future action item and approved, would there be any associated District expenses or change to the current as built. It was confirmed that no costs or change to the pipe as built would occur.

Mr. Dean expressed concern regarding the release of four existing easements listed in the document (page 2, Section 1.2).

Ms. Dixon was thanked for attending and listening to concerns. Ms. Nairn encouraged all to review the document and submit their comments to Mr. Arthur.

4. Draft contract between the City of Del City, the City of Norman and the Central Oklahoma Master Conservancy District for the sale of water by Del City to Norman

Please see document titled “Agreement For Sale of Surplus Municipal Water From Del City to Norman” in the packet.

Ms. Nairn stated that the contract will be presented for action at the September Board meeting. Currently, neither the Norman City Council nor the Del City City Council has voted on the contract. The goal is to have the agreement in place by October 1, 2024, the start of the federal water year.

Mr. Dean gave a summary of the conception of the agreement and walked through the basic provisions of the draft contract. He noted that the District’s role would primarily be tracking and reporting monthly usage. Any payments by Norman will be made directly to Del City.

Mr. O’Rear thanked Mr. Dean for working on this and expressed his appreciation to the cities for their cooperation. He asked Mr. Dean how the 300,000,000 gallons was selected. Mr. Dean stated that over a 30-year average, 600,000,000 gallons of excess was available yearly, so half of the 600,000,000 gallons seemed reasonable.

Mr. O’Rear then directed Mr. Dean and the Board’s attention to Section 9 on page 2. Previously, Mr. Dean had stated that the City of Del City was committing to sell, and the City of Norman was committing to ~~purchase,purchase~~ 300,000,000 gallons each year for the full 10-year term of the contract. However, Mr. O’Rear felt the language in the highlighted section did not reflect that. Rather, each city and COMCD would need to approve each annual purchase. Ms. Nairn agreed that she would read it that way. Mr. Dean stated that it is the intent of both parties to transact 300,000,000 gallons each year for the term of the contract. Some discussion was held regarding the need for annual renewals. Mr. Ballew stated a city cannot encumber funds for more than a year at a time and that this is likely the reason for the requirement for annual renewals.

Mr. Dean suggested that Ms. Croft explore if the City of Norman desired any clarification of the language in that section. She agreed to do so.

Mr. Streets asked if emergency conditions, or circumstance limits are included in the contract. Mr. Arthur responded that indeed the contract includes emergency conditions in Section 10.1 b and in Section 13.

Ms. Croft said the City of Norman is excited and looks forward to Norman’s City Council reviewing and considering approval of the contract at a future Norman City Council meeting.

Mr. Ballew stated this should encourage everyone that the spirit of cooperation among the three cities is evident.

5. Report- April and May 2024 financials

Ms. Nairn stated Ms. Knotts reviewed the financials, but Kyle will be present tonight.

Mr. Arthur stated he would be happy to take any questions.

Mr. Arthur focused on the May financials since they were the most recent. The operating account is running a healthy balance of approximately \$500,000. The District has \$151,000 in paid expenses to request reimbursement on the Contaminants of Emerging Concern Project (CEC).

In the asset account 1919, a Treasury Bill (T-bill) is maturing on July 18th. Mr. Arthur consulted with Mr. Ballew, and he validated the decision to reinvest at a rate of 5.286%, for 6 months.

Mr. Arthur pointed out in the Budget vs Actual report he did some formatting, and increased the font size, and eliminated the percentage column. He said if anyone desires something different to let him know and he would be happy to modify the report further.

Regarding expenses vs. budget to date, Mr. Arthur stated that the majority of the expense categories are currently running under budget. Additionally, he said that current projections show that we expect to be under budget at fiscal year-end by approximately \$130,000 or 10% of the total Operation and Maintenance (O&M) budget. He noted that one of the most significant contributors to that amount is the \$40,000 that was budgeted for sampling under the CEC project that might not be reimbursable under the Clean Water State Revolving Fund (CWSRF) loan. However, all sampling expenses have been deemed reimbursable by the Oklahoma Water Resources Board to date and therefore no expenses have been incurred for that work in our O&M budget.

Last month it was decided the LPL Financial statement would be provided on a quarterly basis vs a monthly basis. A Pfizer Bond came due in May for \$132,000. Mr. Arthur along with Ms. Knotts and Mr. Lockard, of LPL Financial, consulted and a decision was made to reinvest the \$132,000 in a certificate of deposit (CD) with JP Morgan Chase at a rate of 5.4% for 2 years and callable after 6 months.

Mr. Ballew had a question about the net income amounts not being the same number on both reports. The net income on the April financial statement was -\$62,416.88 and on the May financial statement the net income was -\$59,544.56, for a difference of \$2,872.32. Mr. Arthur said he will seek advice from the CPA firm and report back to Mr. Ballew.

Hearing no other questions, Ms. Nairn moved to the action portion of the meeting.

D. Action: Pursuant to 82 OKLA. STATUTES, SECTION 541 (D) (10), the Board of Directors shall perform official actions by resolution and all official actions including final passage and enactment of all resolutions must be approved by a majority of the Board of Directors, a quorum being present, at a regular or special meeting. The following items may be discussed, considered, and approved, disapproved, amended, tabled or other action taken:

6. Minutes of the regular board meeting held on Thursday, May 2, 2024, and corresponding Resolution

Ms. Nairn asked if there were any questions, comments, or edits. Mr. O’Rear suggested a change in wording. In the Treasurer Report the word preference be changed to opinion.

Michael Dean made a motion to approve the amended minutes. Edgar O’Rear seconded the motion, and the Resolution was approved.

Roll call vote:

President Amanda Nairn Yes
Vice President Michael Dean Yes
Secretary Dave Ballew Yes
Member Edgar O’Rear Yes
Member Espaniola Bowen Absent
Member Steve Carano Absent
Member Bryan Hapke Abstain
Motion Passed

7. Temporary Interim appointment of Dave Ballew as Secretary-Treasurer with required performance bond, and corresponding Resolution

Ms. Nairn explained that with Ms. Knotts’ term ending, the Treasurer position is vacant. Biannual Officer elections will take place in October. To keep with that schedule, she did not want to have an election for a new Treasurer now and preferred to make an interim appointment. Furthermore, the District Bylaws state that the Treasurer and the Secretary may be one and the same person, in which event the title shall be “Secretary-Treasurer”. Ms. Nairn spoke to Mr. Ballew, and he was amenable and willing.

Ms. Nairn asked for any questions or comments. Hearing none she entertained a motion.

Edgar O’Rear made a motion seconded by Bryan Hapke to approve the Interim appointment of Dave Ballew as Secretary-Treasurer, and corresponding Resolution.

Roll call vote:

President Amanda Nairn Yes
Vice President Michael Dean Yes
Secretary Dave Ballew Abstain
Member Edgar O’Rear Yes
Member Espaniola Bowen Absent
Member Steve Carano Absent
Member Bryan Hapke Yes
Motion Passed

8. Memorandum Agreement with Oklahoma Water Resources Board (OWRB) and United States Geological Survey (USGS) for stream gaging Fiscal Year ending June 30, 2025, and corresponding Resolution

Please see document titled “Memorandum Agreement” in the packet.

Mr. Arthur stated the District's share increased by \$500 from last year's cost. Mr. Arthur stated he supports continuing as a cooperator.

Ms. Nairn stated this agreement has been in place since 1966, and the District has approved it every year. Mr. Hapke was curious why the Little River station was more expensive than the Lake Thunderbird station. Mr. Arthur assumes the lake level gauge is simpler and the equipment isn't as expensive as the Little River gauge. Mr. Streets stated that location accessibility may be easier on the Lake Thunderbird gauge.

Mr. O'Rear noticed that the Agreement has a typo. The signature line for the District Secretary has the incorrect name. Ms. Metcalf noticed this last year and contacted the Oklahoma Water Resources Board (OWRB). Ms. Krittenbrink (legal Assistant) advised marking through the incorrect name and writing in the correct person. Ms. Metcalf plans to update OWRB, after the District elections, with the correct Secretary's name, to prevent this mistake in the future.

Ms. Nairn asked if there were any further questions, hearing none she entertained a motion.

Michael Dean made a motion seconded by Bryan Hapke to approve the Memorandum Agreement with Oklahoma Water Resources Board (OWRB) and United States Geological Survey (USGS) for stream gaging Fiscal Year ending June 30, 2025, and corresponding Resolution.

Roll call vote:

President Amanda Nairn Yes

Vice President Michael Dean Yes

Secretary Dave Ballew Yes

Member Edgar O'Rear Yes

Member Espaniola Bowen Absent

Member Steve Carano Absent

Member Bryan Hapke Yes

Motion Passed

9. Letter of Engagement of Finley & Cook, PLLC to perform FY 23-24 financial audit, and corresponding Resolution

Please see document titled "Finley & Cook" in the packet.

Ms. Nairn stated Finley & Cook performs the District audit every year. She asked if there were any questions. Mr. Arthur stated that the cost this year reflects a 4% increase from last year and, like last year, includes an additional \$10,000 for the performance of a federal "Single Audit" should the District be required to do so. The current threshold for requiring a Single Audit is the expenditure of \$750,000 or more in federal funds during our fiscal year. With the continued receipt of American Rescue Plan Act and Clean Water SRF funds, a Single Audit is possible.

Mr. O'Rear stated he would have liked to see language stating that the audit company would make suggestions or corrections on any findings discovered during the audit. Mr. Arthur said that at the conclusion of the audit, Finely & Cook provides any necessary adjustments to the finances and makes suggestions to the District and to the District's CPA firm regarding policies and procedures. Mr. Dean

stated that Finley & Cook performs a lot of municipal audits, and he is confident that suggestions are given. Mr. O’Rear stated if a good working relationship existed, he would support engaging Finley & Cook.

Ms. Nairn stated she was happy to accept a motion to approve the letter of engagement.

Bryan Hapke made a motion seconded by Michael Dean to approve the engagement letter, and corresponding Resolution.

Roll call vote:

President Amanda Nairn Yes

Vice President Michael Dean Yes

Secretary Dave Ballew Yes

Member Edgar O’Rear Yes

Member Espaniola Bowen Absent

Member Steve Carano Absent

Member Bryan Hapke Yes

Motion Passed

E. Discussion

10. Legal Counsel’s Report

No written report presented

Mr. Couch stated part of the Master Conservancy District’s statutes, the laws of Oklahoma, that any appointment or reappointment must be approved by the member city’s nomination. The District judge of Cleveland County officially makes the appointment. There was one new appointment and two reappointments to petition to request approval. Mr. Couch drafted the orders and submitted and attained Judge Balkman’s signature of approval.

Mr. Couch worked with Mr. Arthur on the SCADA update procurement.

Mr. Couch worked on the Tinker reroute issue, lots of reviewing documents, and discussions were held.

Ms. Nairn asked if there were any questions. Mr. Dean asked if Mr. Couch had received his reappointment from Del City, Mr. Couch responded yes, he had. Ms. Nairn stated that Mr. Hapke was newly appointed, and Mr. Dean and Mr. Ballew were reappointed.

11. General Manager’s Report

Please see document titled “Manager’s Report” in the packet.

Mr. Dean asked if the pumps have made any significant changes to efficiency. Mr. Arthur stated that progress has been made, more volume for less hertz.

Ms. Nairn asked Mr. Arthur if the SCADA Subcommittee plans to meet after the bids are received. Mr. Arthur stated that he thought there was value in that, and that is his intention. Mr. Arthur also stated he would like to have a contract for consideration at the October board meeting on the SCADA/Telemetry Project.

Ms. Nairn asked if anyone was aware the Legislation awarded Oklahoma Tourism and Recreation \$35,000,000 for deferred maintenance. One of the main projects has to do with sewer lift stations at Lake Thunderbird. Mr. Carr stated he thought the sewer improvements were for the campground dump stations.

Mr. Arthur stated the Board Subcommittee on the Contaminants of Emerging Concern (CEC) will be receiving a meeting invite in the next few weeks.

Mr. Arthur stated the tie in date for the new Tinker AFB section date has been reset for August 4th, due to rain.

Mr. Dean asked if the District was trending towards spending all the American Rescue Plan Act (ARPA) funds. Mr. Arthur forecasts the remaining ARPA Funds being utilized for the SCADA/Telemetry Project. Mr. Dean asked about the time limitation for having the funds obligated by. Mr. Arthur stated expenses had to be spent by December 2026. Ms. Nairn thought the obligation had to occur by end of 2024. Mr. Arthur stated when the application was filed, the District had to list the projects in the agreement. Mr. Arthur's understanding was that the District encumbered the funds at that time. Mr. Arthur will verify.

Mr. Dean inquired about the forebay cleanout. Ms. Nairn said that an update will be given at the next meeting. Ms. Nairn also stated at the next meeting it is expected to have Mr. Arthur's evaluation process on the agenda.

Ms. Nairn stated that she will be joining the CEC Subcommittee in place of Mr. Carano.

12. President's Report

Ms. Nairn did not have anything to add.

13. New business (any matter not known prior to the meeting, and which could not have been reasonably foreseen prior to the posting of the agenda)

None

F. Adjourn

There being no further business, President Nairn adjourned the meeting at 8:52 P.M.