

MINUTES OF THE REGULAR BOARD MEETING
CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

Thursday, October 3, 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:

Amanda Nairn

Michael Dean

Espaniola Bowen

Edgar O'Rear

Steve Carano

Bryan Hapke

Board Members Absent:

Dave Ballew

Staff Present:

Kyle Arthur, General Manager

Kelley Metcalf, Office Manager

Tim Carr, Operations & Maintenance Supervisor

Others Present:

Dean Couch

Paul Streets, Midwest City

Mark Roberts, Midwest City

Rachel Camp, Norman

Carrie Evenson, Midwest City

Paul Cunningham, Worth Hydrochem

Matthew Green, Worth Hydrochem

Alan Swartz, Plummer

Cole Niblett, Garver

Virtual

None

Ms. Nairn had the guests introduce themselves.

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

2. Report- August 2024 financials

Ms. Nairn stated due to Mr. Ballew's absence Mr. Arthur would present the August 2024 financials.

Mr. Arthur stated the operating account, and the sweep account are running a healthy balance. Since the last meeting a \$350,000, Treasury Bill (T-Bill) matured and was reinvested at a rate of 4.6%.

Mr. Arthur pointed out on the Budget vs Actuals that expenses are running below budget two months into the fiscal year. He asked if anyone had any questions about the Balance Sheet or the Budget vs Actuals. Hearing none he moved to the LPL Financial statement.

Mr. Arthur pointed out the balance in the LPL account is \$4,132,727.50 as of August 31, 2024. Mr. Arthur explained that the equities portion of the portfolio is 12.69%. The District's Investment Policy states that no more than 10% should be invested in equities. The extra 2.69% represented is attributable to capital appreciation of stock funds. The undefined asset type is the Eaton Vance short term duration government income fund. The portfolio contains 80.11% of fixed income.

The Abbott Labs, Corporate Bond, in the amount of \$312,000 is coming due 12-15-24. A decision will be forthcoming.

Ms. Nairn asked if there were any other questions. Hearing none she moved to item #3.

3. Capital Equipment Fund

Ms. Nairn stated Mr. Arthur will present this discussion.

Mr. Arthur opened his remarks by stating that he regretted that Mr. Ballew was not here for this particular discussion but stated he would be reaching out to him after the meeting to go over the information. Mr. Arthur said that he recently began doing an inventory analysis of the District's current "rolling/wheeled" stock of large equipment. He wanted to better understand each asset's current age, lifespan, projected year of replacement and current cost to replace. From that information he developed a proposed schedule of replacement for each current piece of equipment. This schedule looked 15 years into the future. He presented a spreadsheet that summarized his findings.

Mr. Arthur further discussed opportunities to finance such a schedule and presented the idea of creating a dedicated fund. He proposed that such a fund could be financed by an initial investment from surplus

funds and sustained at an appropriate level by the annual addition of \$75,000. He also presented a graph showing the annual capital asset assessment to the cities each of the last 15 years, which averaged in excess of \$200,000.

Regarding the initial funding from surplus funds, Mr. Arthur reminded the Board of the District's current Budgeting Policy which caps, at the end of each fiscal year, the amount of carryover at \$1.25 million. He said that his current forecasts show a likely carryover at the end of FY 2025 of approximately \$625,000 beyond the \$1.25 million. He suggested that the Board consider utilizing this money for the creation of the fund, rather than returning it to the cities as the Budgeting Policy allows and had been discussed previously. Mr. Arthur recommended that the annual funding of \$75,000 could be accomplished by redirecting the capital gains and dividends from the District's investment account to this fund, in addition to utilizing any remaining O&M assessment funds at the end of each fiscal year. A third option could be to assess the cities.

A lengthy discussion was held. The Board was very supportive of the idea of creating such a fund and financing it by the methods Mr. Arthur proposed. Mr. Streets and Ms. Camp were both asked about their preferences regarding return of any surplus funds vs. diverting them to create this fund. They both said they would prefer a self-funded large equipment replacement fund, as proposed, rather than wide, unpredictable swings in the cities' assessments to replace this equipment.

Ms. Nairn stated that this subject maybe an action item at the next meeting.

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:

4. Minutes of the regular board meeting held on Thursday, September 5, 2024, and corresponding Resolution

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

Michael Dean made a motion seconded by Espaniola Bowen to approve the minutes and corresponding Resolution.

Roll call vote:

Amanda Nairn Yes
Michael Dean Yes
Dave Ballew Absent
Edgar O'Rear Yes
Espaniola Bowen Yes
Steve Carano Yes
Bryan Hapke Yes

Motion Passed

Ms. Nairn moved item # 7 after item #4.

7. Election of the District Officers, and corresponding Resolution

- a. Presentation of Slate of Nominees for President, Vice-President, Secretary and Treasurer
- b. Nominations from floor, if any
- c. Nominations close and vote on Slate of Nominee (s) for President (Amanda Nairn), Vice-President (Michael Dean), Secretary (Española Bowen) and Treasurer (Dave Ballew) if no nominations from floor, or vote on additional nominees from floor, if any, by officer position

Ms. Nairn asked if there were any other nominations from the floor. Hearing none, she entertained a motion to accept the slate.

Steve Carano made a motion seconded by Bryan Hapke to approve the Resolution.

Roll call vote:

Amanda Nairn Yes
Michael Dean Yes
Dave Ballew Absent
Edgar O'Rear Yes
Española Bowen Yes
Steve Carano Yes
Bryan Hapke Yes
Motion Passed

5. Annual Report for FY 23-24 to Cleveland County Court, and corresponding Resolution

As required by Title 82, Section 649, Oklahoma Statutes, the District Board of Directors submits an annual report to the Cleveland County Court. Mr. Couch will be filing the report.

Mr. Arthur pointed out the report includes end of the year financials, manager reports, summary of major actions, list of board members, annual audit, and legal addendum. He also stated it would be a great resource for new members.

Finding the Annual Report in good order as presented, Edgar O'Rear made a motion seconded by Steve Carano to approve the Resolution.

Roll call vote:

Amanda Nairn Yes
Michael Dean Yes
Dave Ballew Absent
Edgar O'Rear Yes
Española Bowen Yes
Steve Carano Yes
Bryan Hapke Yes
Motion Passed

6. District's Schedule of Regular Meetings for calendar year 2025, and corresponding Resolution

Ms. Nairn commented about July's meeting having an asterisk beside it. She said due to the 4th of July holiday, the meeting is scheduled for the 2nd Thursday (July 10th).

The Board chose to change the January meeting date from January 2nd to January 9th.

Michael Dean made a motion to amend the date of January 2, 2025, meeting to the 2nd Thursday, January 9, 2025, seconded by Espaniola Bowen.

Roll call vote:

Amanda Nairn Yes
Michael Dean Yes
Dave Ballew Absent
Edgar O'Rear Yes
Espaniola Bowen Yes
Steve Carano Yes
Bryan Hapke Yes
Motion Passed

Edgar O'Rear made a motion and Bryan Hapke seconded the motion to approve the amended District's Schedule of Regular Meeting for Calendar Year 2025 and corresponding Resolution.

Roll call vote:

Amanda Nairn Yes
Michael Dean Yes
Dave Ballew Absent
Edgar O'Rear Yes
Espaniola Bowen Yes
Steve Carano Yes
Bryan Hapke Yes
Motion Passed

8. Contract between Central Oklahoma Master Conservancy District, and Worth Hydrochem of Oklahoma, Inc. for SCADA/Telemetry Upgrade, ARPA Grant No. ARP-0023-DPG, and corresponding Resolution

Ms. Nairn reminded everyone that she appointed a subcommittee to work with Mr. Arthur and Dave Carpenter (COMCD Staff). The subcommittee consisted of Mr. Ballew, Mr. Dean, and Ms. Nairn. Once Mr. Hapke was appointed to the Board, Ms. Nairn removed herself and Mr. Hapke agreed to serve on the subcommittee. Mr. Arthur stated that interviews were held with the two companies that submitted bids. Worth Hydrochem was unanimously chosen for the project. Ms. Nairn stated Worth Hydrochem has representatives present to answer any questions.

Mr. Matt Green, from Worth Hydrochem, thanked the Board and stated they are excited to work with the District again.

Ms. Nairn gave Mr. Arthur recognition for a very well written Invitation to Bid. The two bids received were within 3% of each other. She also thanked everyone who contributed.

Espaniola Bowen made a motion seconded by Bryan Hapke to approve the contract with Worth Hydrochem of Oklahoma, Inc. for SCADA/Telemetry upgrade, and corresponding Resolution.

Roll call vote:

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

E. Discussion

9. Legal Counsel’s Report

September 5 provide Legal Counsel report to Kelley Metcalf and attend monthly Board meeting
September 16 communicate with Kyle Arthur about executive session minutes and COMCD policy about note taking executive sessions
September 20 provide draft Worth contract regarding SCADA update project to Kyle Arthur
September 24 draft Legal Addendum for Annual Report submission to District Court for FY-24 with Plans to file Annual Report with District Court after approval by Board
September 25 review draft resolution about election of officers for Kelley Metcalf
September 26 communicate with Bodie Batchelor, interim Financial Assistance counsel for the OWRB about receiving VFD quotes under and over the \$100,000 threshold for bidding

Mr. Couch said he was happy to answer any questions.

Hearing no further questions, Ms. Nairn proceeded to the General Manager’s Report.

10. General Manager’s Report

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

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

Mr. Arthur shared some photos of the “Round 1”, attempt to clean out the Norman regulating tank. He thanked Ms. Camp for coordinating the event with the Norman Fire Department. The tank is estimated to have approximately 8 feet of sediment, since it has not been cleaned out since 2001. Mr. Arthur stated in the 2-hour timeframe, his best guess is that 15-20% of the sediment was removed.

11. President’s Report

Ms. Nairn reminded everyone of the Fish Fry, Friday, October 25th.

12. 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 8:46 P.M.