

MINUTES OF THE REGULAR BOARD MEETING
CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

Thursday, February 6, 2025

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

Dave Ballew

Espaniola Bowen

Edgar O'Rear

Steve Carano

Bryan Hapke

Board Members Absent:

None

Staff Present:

Kyle Arthur, General Manager

Kelley Metcalf, Office Manager

Tim Carr, Operations & Maintenance Supervisor

Others Present:

Dean Couch

Tim Barnes, Finley & Cook

Mark Roberts, Midwest City

Rachel Camp, Norman

Alan Swartz, HDR

Virtual

None

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. Treasurer Report- November 2024 and December 2024 financials

Mr. Ballew stated he compared the November Balance Sheet with the December Balance Sheet and found no significant changes. He asked if anyone had any questions. Mr. Ballew also recommended that the Board be sure to read the annual audit.

Mr. Dean voiced his opinion on possibly omitting the Gross Profit line item on the Profit and Loss Report and just having the Total Income line item, since the monetary values are the same. Mr. Arthur said he would inquire about dropping the Gross Profit line with the accountants.

Mr. Arthur explained that since the December financial report a Certificate of Deposit (CD), in the amount of \$132,000, was called. He consulted with Mr. Ballew and Mr. Lockard (LPL Financial) and the money was reinvested in a one-year CD, at a rate of 4.1%. Mr. Arthur added outside of the Investment Portfolio, in the BancFirst account, a \$500,000 Treasury Bill (T-Bill) matured and was reinvested for 12 months at the rate of 4.21%. Simultaneously, \$325,000 was invested in another 12-month T-Bill, at the rate of 4.21%. The \$325,000 was earmarked after the Board approved the creation of a Large Equipment Asset Fund at the November, 2024 meeting. Mr. Arthur mentioned that next week 2 corporate bonds will be maturing, and another will mature in March. The gross amount of the 3 bonds is \$495,000. Mr. Arthur will schedule a virtual meeting with Mr. Ballew, Mr. Lockard, himself, and Ms. Nairn to discuss options.

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:

3. Minutes of the regular board meeting held on Thursday, December 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 Bryan Hapke to approve the minutes and corresponding Resolution.

Roll call vote:

Amanda Nairn Yes

Michael Dean Yes

Dave Ballew Yes

Edgar O'Rear Yes
Espaniola Bowen Yes
Steve Carano Yes
Bryan Hapke Yes
Motion Passed

4. Annual Audit Report for fiscal year ended June 30, 2024, and corresponding Resolution

Please see document titled "Financial Statements June 30, 2024 and 2023" from F&C CPAs in the packet.

Ms. Nairn introduced Mr. Barnes with Finley & Cook.

Mr. Barnes stated that he, Mr. Arthur, Ms. Nairn, Mr. Ballew, and Mr. Dean held a virtual meeting, on January 31st, to discuss the audit results.

Mr. Barnes stated the District had a good and clean audit and an unmodified opinion was issued. The audit did, however, result in a number of adjustments to the year-end financials. As a result of the number and magnitude of the adjustments, there was an audit finding of a "material weakness". Mr. Barnes explained that the number of adjustments was most likely due to the fact that the accountants were new to the District for this fiscal year, the audit team from Finley and Cook was different, and the retirement of Mr. Wadsack who possessed an historical understanding of how the year-end financials should be closed and certain things should be booked.

As corrective measures, a virtual meeting with Paxus, Mr. Barnes and Mr. Arthur will be scheduled to discuss the adjustments and help ensure this will not occur again. Additionally, the District plans on providing a "draft" FYE report to the audit firm, to address any potential reclassifications ahead of future audits. Mr. Arthur stated that he had visited with the accountants and they understood the adjustments being made and furthermore, that he had every confidence that these would be corrected moving forward.

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

Mr. Arthur had a question about the amount shown as received from the OWRB for the CWSRF/CEC loan. He commented that the value seemed low. Mr. Dean asked that Mr. Arthur and Ms. Metcalf verify the amounts received for that project. They both left the meeting to research the question. When they returned, Mr. Arthur verified that the value for FY 2024 in the audit was correct. Additionally, he stated that for FY 2025 to date the District had received all requested funds for the project, which amounted to \$340,261.69. All eligible projects expenses have been reimbursed.

Michael Dean made a motion seconded by Espaniola Bowen to approve the Annual Audit Report for fiscal year ended June 30, 2024 and corresponding Resolution.

Roll call vote:

Amanda Nairn Yes
Michael Dean Yes
Dave Ballew Yes
Edgar O'Rear Yes
Espaniola Bowen Yes

Steve Carano Yes
Bryan Hapke Yes
Motion Passed

5. Declaration of certain property as surplus, and corresponding Resolution

Mr. Arthur stated the Resolution that was included in the packet is different than the version provided this evening. Mr. Arthur confirmed with Mr. Couch that changing the Resolution was allowed. Mr. Arthur explained the difference in the wording. Item #3 on the Resolution originally had 8 single cabinet air conditioning units, and that was changed to 9.

Mr. Arthur explained the first 3 items on the list are related to the upgrades of the variable frequency drives (VFD's). The new cabinets have heat sinks on the outside of the cabinets, eliminating the need for the air conditioning units.

Item #4 is equipment associated with the supersaturated dissolved oxygen (SDOX) system. The SDOX has been abandoned for 5 years. Two years ago, a partial impairment value was taken on the District's financials.

Mr. Dean asked if it would be wise to hold on to the air conditioners until after the summer months, to ensure that the heat is indeed not an issue. Mr. Arthur supported waiting to auction the units to ensure satisfaction. Mr. Dean inquired if the three cities were asked if they were interested in any of the items. Mr. Arthur replied yes, and no interest was received.

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

Bryan Hapke made a motion seconded by Steve Carano to approve the Declaration of certain property as surplus, and corresponding Resolution.

Roll call vote:

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

E. Discussion

6. Legal Counsel's Report

Dec 5 prepare and provide Legal Counsel Report to Kelley Metcalf and attend monthly Board meeting

Dec 5 initiate review of draft document from Kyle Arthur for forebay cleanout with long reach excavator

Dec 17 review and provide comment to Kyle Arthur about Tinker Del City pipeline easement

Dec 19 provide previous communication to Bonnie Moats at Oklahoma Water Resources Board about additional information requested by Ms. Moats regarding term permit application

Dec 30 provide Kyle Arthur a draft contract for long reach excavator work for forebay cleanout

Jan 21 attend meeting at Oklahoma Water Resources Board with Amanda Nairn and Kyle Arthur to obtain instructions on information needed to finalize application for term permit

Jan 27 provide supplemental information to Oklahoma Water Resources Board regarding term permit application

Jan 29 email communication with Kyle Arthur about freeze of federal funds and potential impact on CEC project

Jan 31 review draft resolution about disposal of surplus property

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

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

7. General Manager's Report

Please see document titled "Manager's Report" in the packet.

Mr. Arthur shared pictures and gave a brief description of each picture (SDOX system, old VFD's vs new VFD's, forebay cleanout, & new office flooring).

Mr. O'Rear asked if the SDOX system was part of the original construction of the dam. Mr. Arthur stated that it was not, the project was a loan forgiveness, Green Project, the District secured the Grant in 2009. Mr. Arthur stated Lake Thunderbird has struggled with low dissolved oxygen levels (DO) which is a source of taste and odor issues. The system never demonstrated any appreciable changes to the DO. Mr. Arthur stated the approximate annual costs to the three cities was \$100,000.

Shortly after Mr. Arthur became the General Manager (2020) he met with Oklahoma Water Resources Board (OWRB) and Blue in Green LLC (designer of the SDOX system). Blue in Green determined that the oxygen level being injected was too low, so it was increased. They also retrofitted the intake orifice on the mixing tank. Later that evening the system malfunctioned and has been out of operation since. It was later determined that the entire system had been modified multiple times due to safety concerns and was no longer able to function as it had been originally designed. Discussion was then held regarding possible future opportunities to address low dissolved oxygen in the lake through new and emerging technologies.

Mr. Arthur spoke briefly on the forebay cleanout utilizing a long-reach excavator. He thanked the City of Midwest City and Del City for working with the District to make these cleanout events happen and go smoothly. Boomer Environmental will be performing one more cleanout event in April to hopefully remove the majority of any remaining sediment.

Mr. Dean suggested that Mr. Arthur prepare a comparison power cost analysis to determine if power costs have decreased since the pump and motor replacements. Mr. Arthur said costs of kilowatts also dictates power costs, but he would be willing to provide some data.

Mr. Carr gave a brief overview of the VFD replacement at the Main Pumping Plant.

Mr. Arthur reminded the Board about the \$15,000 (Nonassessed) line item in the budget for office flooring replacement. Ms. Metcalf stated three companies submitted quotes. Oklahoma Discount Flooring & Countertops will be doing the job. There are 4 offices that have carpet currently, and luxury vinyl will replace that carpet, and the boardroom will have carpet squares. The kitchen lower cabinets and drawers are getting refurbished, and a new quartz countertop will be installed. Pictures were shared of what the new floors will look like.

Mr. Carano asked how often the District plans on cleaning out the forebay going forward. Mr. Arthur responded every 2-3 years. Mr. Arthur stated he is pondering an idea of possibly constructing a lagoon or a catchment.

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

8. President's Report

Ms. Nairn announced that Mr. Arthur was elected President of the Lake Thunderbird Watershed Alliance (LTWA), and she was reelected as Vice President. Ms. Nairn reminded the Board the District has donated to LTWA. She stated that LTWA was awarded a Bureau of Reclamation (BOR) Grant for a pilot project retrofitting some retention and detention ponds in a Norman neighborhood. However, on Monday February 3rd LTWA accepted the Grant and on Tuesday, February 4th all Federal Funding was frozen.

Ms. Nairn mentioned next month the Budget will be presented as a discussion item. Mr. Arthur stated no major changes to the budget are expected. He also said there is a possibility of surplus funds, and one option is to give the three cities a refund. He wanted to give heads up to the Board, so everyone is prepared to discuss options.

9. 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 8:19 P.M.