

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

AMENDED AGENDA FOR REGULAR MEETING

Kyle Arthur, General Manager

TIME: 6:30 P.M.

THURSDAY, September 3, 2020

THIS MEETING WILL BE CONDUCTED BY VIDEOCONFERENCE AND TELECONFERENCE.
IF YOU ARE NEW TO THE "GO TO MEETING" APP, PLEASE INSTALL BEFORE MEETING START TIME.

VIDEOCONFERENCE: TO JOIN THE MEETING USING A COMPUTER, SMARTPHONE, OR TABLET, GO TO
[HTTPS://GLOBAL.GOTOMEETING.COM/JOIN/689104501](https://global.gotomeeting.com/join/689104501)
MEETING ACCESS CODE: 689-104-501

TELECONFERENCE: TO LISTEN TO THE MEETING USING A TELEPHONE, CALL 1-877-309-2073 ENTER ACCESS CODE:
689104501.

IN THE EVENT THE COMMUNICATION LINK OR CONNECTION IS LOST AND THE MEETING IS INTERRUPTED, THE DISTRICT WILL MAKE EVERY EFFORT TO RESTORE THE LINK OR CONNECTION WITHIN THIRTY (30) MINUTES AND THE MEETING WILL THEN CONTINUE. IF THE DISTRICT IS UNABLE TO RESTORE THE LINK OR CONNECTION WITHIN THIRTY (30) MINUTES AFTER IT IS LOST, THE MEETING WILL BE RECONVENED ON TUESDAY, SEPTEMBER 8, 2020 AT 6:30 PM. THE RECONVENED MEETING WILL BE CONDUCTED IN THE SAME MANNER AS NOTICED HEREIN, AND BOARD MEMBERS WILL PARTICIPATE IN THE SAME MANNER AS NOTICED HEREIN. ANY RECONVENED MEETING SHALL BEGIN WITH A ROLL CALL VOTE AND SHALL THEN PROCEED TO THE AGENDA ITEM THAT WAS UNDER DISCUSSION WHEN THE LINK OR CONNECTION WAS LOST.

A. CALL TO ORDER AND ROLL CALL

B. STATEMENT OF COMPLIANCE WITH OPEN MEETING ACT

C. ADMINISTRATIVE:

1. STATUS REPORT OF THE DEL CITY PIPELINE PROJECT FROM ALAN PLUMMER ASSOCIATES, INC. (ALAN SWARTZ, OKLAHOMA AREA LEADER).

D. ACTION:

2. CONSIDERATION AND POSSIBLE APPROVAL OF MINUTES OF THE REGULAR BOARD MEETING HELD ON THURSDAY, AUGUST 6, 2020.
3. CONSIDERATION AND POSSIBLE APPROVAL OF FINANCIAL STATEMENTS FOR OPERATING ACCOUNT FOR JULY 2020.
4. CONSIDERATION AND POSSIBLE APPROVAL OF ANNUAL REPORT FOR FY 19-20.
5. CONSIDERATION AND POSSIBLE APPROVAL OF DECLARATION OF SURPLUS EQUIPMENT.
6. CONSIDERATION AND POSSIBLE APPROVAL INCREASING THE GENERAL MANAGER'S CHECK WRITING AUTHORITY FOR PAYMENT OF CLAIMS TO MATTHEWS TRENCHING FOR DEL CITY PIPELINE PROJECT.

E. DISCUSSION:

7. GENERAL MANAGER'S REPORT.
8. LEGAL COUNSEL REPORT.
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)

F. ADJOURN

BOARD MEMBER ATTENDANCE METHOD: VIDEOCONFERENCE: AMANDA NAIRN, CASEY HURT, JANN KNOTTS, MICHEAL DEAN, ROGER FRECH, WILLIAM JANACEK, KEVIN ANDERS

Item D.2.

MINUTES OF REGULAR BOARD MEETING
CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

Thursday, August 6, 2020

In accordance with Senate Bill 661, which temporarily modified the Open Meeting Act as approved by Governor Stitt on March 18, 2020, the Central Oklahoma Master Conservancy District hosted a virtual meeting option for the Regular Board Meeting on August 6, 2020 at 6:30 P.M. using the following options:

Teleconference dial in number 1-866-899-4679, access code 162-304-861

Videoconference <https://global.gotomeeting.com/join/162304861> , access code 162-304-861

A. Call to Order by President Roger Frech at 6:30 pm.

Roll Call:

Present: President Roger Frech (videoconference)
Board Member William Janacek (videoconference)
Board Member Amanda Nairn (videoconference)
Board Member Casey Hurt (videoconference)
Board Member Michael Dean (videoconference)
Treasurer Jann Knotts (videoconference)
Secretary Kevin Anders (videoconference)

Absent: None

Staff Present: Kyle Arthur, General Manager
Kelley Metcalf, Administrative Assistant
Tim Carr, Interim Supervisor

B. Statement of compliance with Open Meeting Act. Kelley Metcalf, Administrative Assistant, stated the notice of the monthly board meeting had been posted in compliance with the Open Meeting Act.

C.1. Recognition of reappointment of Board Members Jann Knotts and Casey Hurt. Dean Couch, legal counsel, filed the reappointments of Jann Knotts and Casey Hurt. Judge Thad Balkman approved the reappointments. Each term is 4 years.

C.2. Presentation and update regarding investment account by Rob Lockard of LPL Financial. Mr. Lockard shared an estimated income account summary on the District's investment account. Mr. Lockard, at the request of the Board, will be researching and recommending possible Bond Funds for the District's cash investment. Q&A followed.

C.3. Status report of the Del City Pipeline Project from Alan Plummer Associate's, Inc. (Alan Swartz, Oklahoma Area Leader). Alan Swartz reported Line 2 had minimal work done on dressing disturbed areas. Line 3 10-day scheduled pipeline shutdown proceeded starting July 6th and the system was brought back online on July 15th. Contractor had three crews working during the shutdown to remove and replace 1400 linear feet of pipe, install 24-inch Ductile Iron (DI) pipe in the same trench and complete the required four tie-ins to put the pipe into service. This places over one mile of Line 3 into service. Contractor moved and stockpiled the demolished pipe along ROW just East of the Landing Light Access for later disposal. 24-inch DI Pipe that will be installed between Douglas Blvd. and Post Road has been delivered. Some of this pipe is stored on the east side of Post Road as well. Contractor completed the bores under the creek at Station 176+00 and under Post Road. This completes

the necessary bores for the project. The waterline has been installed between Station 157+80 & 198+20 leaving about 3300 linear feet of DI pipe remaining to be installed. Coordination with OG&E is ongoing in regard to an electrical pole that must be relocated before the 24-inch DI waterline can be laid through the casing under Post Road. US Pipe has been onsite to continue to inspect & repair any coating damage to the DI pipe. Travis Boone, the new inspector started on Monday, July 27th. He had one week of overlap with Dennis Yarbrow for introduction to the project, the contractor, and the associated crews he would be inspecting.

D.4. Consideration and possible approval of minutes of the Regular Board Meeting held on Thursday, July 2, 2020. Michael Dean made a motion to approve the July 2, 2020 Regular Board Meeting minutes seconded by Amanda Nairn. The motion passed unanimously.

D.5. Consideration and possible approval of financial statements for operating account for June 2020. Jann Knotts made a motion seconded by Casey Hurt to approve the June 2020 financials. Roll call vote:

President Roger Frech	Yes
Treasurer Jann Knotts	Yes
Secretary Kevin Anders	Yes
Member William Janacek	Yes
Member Amanda Nairn	Yes
Member Casey Hurt	Yes
Member Michael Dean	Yes

Motion Passed.

D.6. Consideration of election of the District Officers

President- Casey Hurt nominated Amanda Nairn and Jann Knotts nominated Casey Hurt. Roll call vote:

President Roger Frech	Voted for Amanda Nairn
Treasurer Jann Knotts	Voted for Amanda Nairn
Secretary Kevin Anders	Voted for Amanda Nairn
Member William Janacek	Voted for Casey Hurt
Member Amanda Nairn	Abstain
Member Casey Hurt	Abstain
Member Michael Dean	Voted for Casey Hurt

Amanda Nairn received 3 votes, Casey Hurt received 2 votes.

Motion Passed. Amanda Nairn is Board President.

Vice President- William Janacek nominated Casey Hurt and Michael Dean nominated himself. Roll call vote:

President Roger Frech	Voted for Casey Hurt
Treasurer Jann Knotts	Voted for Casey Hurt
Secretary Kevin Anders	Voted for Casey Hurt
Member William Janacek	Voted for Casey Hurt
Member Amanda Nairn	Voted for Casey Hurt
Member Casey Hurt	Abstain
Member Michael Dean	Voted for Casey Hurt

Casey Hurt received 6 votes, Michael Dean received 0 votes.

Motion Passed. Casey Hurt is Vice President.

Secretary- Casey Hurt nominated Michael Dean and William Janacek nominated Kevin Anders. Roll call vote:

President Roger Frech	Voted for Michael Dean
Treasurer Jann Knotts	Voted for Michael Dean
Secretary Kevin Anders	Voted for Michael Dean
Member William Janacek	Voted for Kevin Anders
Member Amanda Nairn	Voted for Michael Dean
Member Casey Hurt	Voted for Michael Dean
Member Michael Dean	Abstain

Michael Dean received 5 votes, Kevin Anders received 1 vote.

Motion Passed. Michael Dean is Secretary.

Treasurer- Casey Hurt nominated Jann Knotts. Roll call vote:

President Roger Frech	Voted for Jann Knotts
Treasurer Jann Knotts	Abstain
Secretary Kevin Anders	Voted for Jann Knotts
Member William Janacek	Voted for Jann Knotts
Member Amanda Nairn	Voted for Jann Knotts
Member Casey Hurt	Voted for Jann Knotts
Member Michael Dean	Voted for Jann Knotts

Jann Knotts received 6 votes.

Motion Passed. Jann Knotts is Treasurer.

E.7. General Manager's Report.

- Floating Wetlands Project
 - All units have been planted and deployed to their location in the lake
 - Data collection is set to begin this first week of August
 - Steve Patterson visited July 30 to inspect progress of work and function and was thoroughly please with the status
 - A field day is being scheduled in the near future for all interested parties or people
- Del City Pipeline
 - The new pipeline inspector began July 27th to relieve the temporary inspector Dennis Yarbrow. His name is Travis Boone.
- Annual employee evaluations were completed
- On July 10th, the Norman Fire Dept completed another confined spaced training class as well as the familiarization of facilities for emergency response purposes
- Meeting with BOR Supervisors and Deputy Area Manager held with Tim Carr and I. Discussed a broad spectrum of "orientation" topics:
 - Facility Operations Programs: Facility Reviews/Inspections, Emergency Management, Security and Dam Operator Training SOPs
 - Resource Management Programs: Real Property, NEPA compliance, Cultural resources, Trespass and Unauthorized Use, Incident Reporting, Pesticide Use, etc.
 - Planning and Project Development Programs: Water Conservation, Technical and Financial Assistance
- Dam inspections were performed by BOR on July 22nd. Scheduled full gate operation inspection/and gate inspection for late August.

- Met with Developer of Turtlewood Addition located on the MWC pipeline to discuss drainage issues on behalf of BOR. Awaiting plans/proposals from Home Creations to submit to BOR for approval
- Evaluated a property on behalf of BOR regarding possible erosion problems along Del City Pipeline, that issue is being reviewed by BOR and looks to be a City issue and not a District responsibility
- Met with Midwest City officials over lunch to discuss a variety of current issues
- Visited the office of Watkins Insurance Agency to better understand our policies
 - As a follow-up, also hosted Tanner Watkins at the District to take a tour of our facilities and audit against our current policies (equipment and coverages)
 - Also wanted to understand our liability coverage relative to potential partial title transfer
- Sent partial title transfer analysis presentation to James Allard and Dean Couch for their review. Will be incorporating their comments, incorporating some things learned from the meeting with BOR this past month and what we determine from our insurance audit.
- Drafted budgeting policy and vetted with Roger and Jann. Plan to present to Board at the next meeting.

Tim Carr, interim supervisor, provided a PowerPoint presentation on the Wetlands Project.

E.8. Legal Counsel Report.

Worked on presentation of partial title transfer

Reviewed contracts

Reviewed work comp provisions

Reviewed balloting and Open Meeting Laws

Consult with Rebecca Patten regarding constructing anything on land surface within the watershed of Lake Thunderbird.

E.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. Amanda Nairn made a motion seconded by Michael Dean to adjourn. Roll call vote:

President Roger Frech	Yes
Treasurer Jann Knotts	Yes
Secretary Kevin Anders	Yes
Member William Janacek	Yes
Member Amanda Nairn	Yes
Member Casey Hurt	Yes
Member Michael Dean	Yes

Motion Passed.

Regular session ended 8:15 PM

Item D.3

09/03/20

CORRECTED

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT
Balance Sheet
As of July 31, 2020

	Jul 31, 20	Jun 30, 20	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
1023-BANCFIRST #3940 & #0014	2,413,214.71	2,218,013.09	195,201.62
1051-BANCFIRST # 8204 (AT MKT)	4,127,147.92	4,127,147.92	0.00
Total Checking/Savings	6,540,362.63	6,345,161.01	195,201.62
Accounts Receivable			
1900-ASSESSMENTS RECEIVABLE			
1901-DEL CITY			
1902-OPERATIONS AND MAINTENANCE	198,853.27	39,221.53	159,631.74
1903-POWER	65,625.00	11,077.48	54,547.52
Total 1901-DEL CITY	264,478.27	50,299.01	214,179.26
1905-MIDWEST CITY			
1906-OPERATIONS AND MAINTENANCE	508,460.26	100,287.96	408,172.30
1907-POWER	264,600.00	52,357.51	212,242.49
Total 1905-MIDWEST CITY	773,060.26	152,645.47	620,414.79
1909-NORMAN			
1910-OPERATIONS AND MAINTENANCE	551,251.47	108,728.02	442,523.45
1911-POWER	194,775.00	60,375.51	134,399.49
Total 1909-NORMAN	746,026.47	169,103.53	576,922.94
Total 1900-ASSESSMENTS RECEIVABLE	1,783,565.00	372,048.01	1,411,516.99
Total Accounts Receivable	1,783,565.00	372,048.01	1,411,516.99
Other Current Assets			
1920-(BANCFIRST)-DWSRF ESCROW	32,772.89	24,639.87	8,133.02
1951-DWSRF REPYMT DUE-CURRENT	56,689.88	64,566.56	-7,876.68
Total Other Current Assets	89,462.77	89,206.43	256.34
Total Current Assets	8,413,390.40	6,806,415.45	1,606,974.95
Fixed Assets			
2000-WATER SUPPLY ASSETS			
BUILDING AND STRUCTURES	54,811.23	54,811.23	0.00
DAM AND RESERVOIR	4,680,177.00	4,680,177.00	0.00
EQUIPMENT AND FENCE	31,209.74	31,209.74	0.00
NEW DEL CITY PIPELINE	2,903,016.97	2,897,504.47	5,512.50
PIPELINE	3,402,225.92	3,402,225.92	0.00
PUMPING PLANT	1,546,837.67	1,546,837.67	0.00
Total 2000-WATER SUPPLY ASSETS	12,618,278.53	12,612,766.03	5,512.50
2010-TRANSFERRED FROM BUREC			
OFFICE FURNITURE & FIXTURES	1,326.00	1,326.00	0.00
SHOP TOOLS	853.00	853.00	0.00
Total 2010-TRANSFERRED FROM BUREC	2,179.00	2,179.00	0.00
2020-OTHER PURCHASED ASSETS			
BUILDINGS,STRUCTURES & ROADS	2,060,361.87	2,060,361.87	0.00
OFFICE EQUIPMENT	99,280.89	99,280.89	0.00
PLANT AND DAM EQUIPMENT	5,052,092.56	5,052,092.56	0.00
VEHICLES AND BOATS	734,922.67	734,922.67	0.00
Total 2020-OTHER PURCHASED ASSETS	7,946,657.99	7,946,657.99	0.00
2030-ALLOWANCE FOR DEPRECIATION	-9,364,001.42	-9,330,895.20	-33,106.22
Total Fixed Assets	11,203,114.10	11,230,707.82	-27,593.72
Other Assets			
DWSRF REPAYMENTS-NONCURRENT	520,802.36	520,802.36	0.00
Total Other Assets	520,802.36	520,802.36	0.00
TOTAL ASSETS	20,137,306.86	18,557,925.63	1,579,381.23
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
4000-CURRENT CLAIMS PAYABLE	35,283.47	32,684.03	2,599.44
Total Accounts Payable	35,283.47	32,684.03	2,599.44
Other Current Liabilities			
4002-DWSRF INTEREST PAYABLE	897.21	897.21	0.00
4009-FYE ACCRUALS	0.00	685,884.26	-685,884.26
4010-PAYROLL DEDUCTIONS			
4014-RETIREMENT PLAN PAYABLE	4,920.01	4,864.85	55.16
4016-GROUP INSURANCE PAYABLE	775.56	787.00	-11.44
Total 4010-PAYROLL DEDUCTIONS	5,695.57	5,651.85	43.72
4017-COMPENSATED ABSENCES	17,150.38	17,150.38	0.00
4019-CONTRACTS-DUE W/1 YEAR			
4019.3-DWSRF CURRENT PYMTS	94,428.05	94,428.05	0.00
Total 4019-CONTRACTS-DUE W/1 YEAR	94,428.05	94,428.05	0.00
Total Other Current Liabilities	118,171.21	804,011.75	-685,840.54
Total Current Liabilities	153,454.68	836,895.78	-683,241.10
Long Term Liabilities			
4020-CONTRACTS PAYABLE			
4055-DWSRF PAYMENTS			
4075-SUBSEQUENT PAYMENTS	520,802.36	520,802.36	0.00
Total 4055-DWSRF PAYMENTS	520,802.36	520,802.36	0.00
4080-NEW DEL CITY PIPELINE LOAN	2,109,225.09	1,538,477.43	569,747.66
Total 4020-CONTRACTS PAYABLE	2,630,027.45	2,060,279.79	569,747.66
Total Long Term Liabilities	2,630,027.45	2,060,279.79	569,747.66
Total Liabilities	2,783,482.13	2,896,975.57	-113,493.44
Equity			
4802-BOR MANDATED MAINTRESERVE	50,000.00	50,000.00	0.00
4803-RESTRICTED-CAP IMPRVEMENTS	400,000.00	400,000.00	0.00
4806.5 UNRESTRICTED SURPLUS			
4807-UNRESTRICTED SURPLUS	15,210,950.06	14,778,764.46	432,185.60
4808-FYE '19 ADJUSTS-PRIOR YRS	0.00	-9,423.01	9,423.01
Total 4806.5 UNRESTRICTED SURPLUS	15,210,950.06	14,769,341.45	441,608.61
Net Income	1,692,874.67	441,608.61	1,251,266.06
Total Equity	17,353,824.73	15,660,950.06	1,692,874.67
TOTAL LIABILITIES & EQUITY	20,137,306.86	18,557,925.63	1,579,381.23

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT
Profit & Loss Budget vs. Actual
July 2020

	Jul 20	Budget	\$ Over Budget
Income			
4900-ASSESSMENTS			
4901-MUNI SHARE, OPERATING COST			
4902-DEL CITY	198,853.27	198,853.27	0.00
4903-MIDWEST CITY	508,460.26	508,460.26	0.00
4904-NORMAN	551,251.47	551,251.47	0.00
Total 4901-MUNI SHARE, OPERATING C...	1,258,565.00	1,258,565.00	0.00
4905-MUNI SHARE, POWER			
4906-DEL CITY	65,625.00	65,625.00	0.00
4907-MIDWEST CITY	264,600.00	264,600.00	0.00
4908-NORMAN	194,775.00	194,775.00	0.00
Total 4905-MUNI SHARE, POWER	525,000.00	525,000.00	0.00
Total 4900-ASSESSMENTS	1,783,565.00	1,783,565.00	0.00
4920-OTHER REVENUES			
4923-BANK INTEREST INCOME	19.25		
4925-DWSRF INTEREST INCOME	298.00		
Total 4920-OTHER REVENUES	317.25		
Total Income	1,783,882.25	1,783,565.00	317.25
Expense			
5000-PERSONNEL			
5000.1-EMPLOYEES' WAGES	38,066.92	37,333.26	733.66
5009-EMPLOYEES' RETIREMENT	3,717.38	3,791.63	-74.25
5010-DIRECTORS' EXPENSES	0.00	416.63	-416.63
5011-PAYROLL TAXES	2,912.12	2,750.00	162.12
5012-TRAINING, EDUCATION&TRAVEL	25.00	1,458.26	-1,433.26
5013-UNIFORM & BOOTS ALLOWANCE	0.00	250.00	-250.00
5014-EMPLOYEE HEALTH, ETC, INS.	4,073.26	5,613.75	-1,540.49
5015-WORKMEN'S COMPENSATION	0.00	1,795.76	-1,795.76
5017-SERVICE & SAFETY AWARDS	0.00	245.76	-245.76
5018-TEMPORARY HELP	1,365.00		
Total 5000-PERSONNEL	50,159.68	53,655.05	-3,495.37
5100-MAINTENANCE			
5101-PLANT& DAM R&M, SUPPLIES	94.68	10,416.63	-10,321.95
5103-VEHICLE OPS, R&M	1,492.50	2,708.26	-1,215.76
5104-BUILDINGS ROADS & GROUNDS	0.00	1,666.63	-1,666.63
5106-EQUIPMENT R&M, RENTAL	1,734.63	1,416.63	318.00
Total 5100-MAINTENANCE	3,321.81	16,208.15	-12,886.34
5200-UTILITIES			
5201-TELEPHONE,PAGING,IT SERVIC	2,071.86	1,625.00	446.86
5204-ELECTRICITY	0.00	708.26	-708.26
5205-PROPANE	0.00	500.00	-500.00
5206-WASTE REMOVAL	0.00	66.63	-66.63
Total 5200-UTILITIES	2,071.86	2,899.89	-828.03
5300-INSURANCE AND BONDS			
5301-INSURANCE	0.00	3,750.00	-3,750.00
Total 5300-INSURANCE AND BONDS	0.00	3,750.00	-3,750.00
5400-ADMINISTRATIVE EXPENSE			
5401-OFFICE SUPPLIES, MATERIALS	1,868.01	1,250.00	618.01
Total 5400-ADMINISTRATIVE EXPENSE	1,868.01	1,250.00	618.01
5500-PROFESSIONAL SERVICES			
5501-LEGAL	0.00	5,000.00	-5,000.00
5502-ACCOUNTING AND AUDIT	480.00	2,045.76	-1,565.76
5504-CONSULTANT- TECHNICAL	0.00	3,333.26	-3,333.26
5507-ENGINEERING-REUSE PROJECT	0.00	6,166.63	-6,166.63
Total 5500-PROFESSIONAL SERVICES	480.00	16,545.65	-16,065.65
5600-WATER QUALITY SERVICES			
5601-STREAM GAUGING (OWRB)	0.00	1,466.63	-1,466.63
5603-WATER QUALITY MONITORING	0.00	5,500.00	-5,500.00
Total 5600-WATER QUALITY SERVICES	0.00	6,966.63	-6,966.63
5800-PUMPING POWER	0.00	43,750.00	-43,750.00
5950-ASSET PURCHASES & RESERVES	0.00	3,583.26	-3,583.26
6000-DEPRECIATION	33,106.22		
Total Expense	91,007.58	148,608.63	-57,601.05
Net Income	1,692,874.67	1,634,956.37	57,918.30

09/01/20

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT
Profit & Loss YTD Comparison
July 2020

	Jul 20	Jun 20	Jul 20
Income			
4900-ASSESSMENTS			
4901-MUNI SHARE, OPERATING COST			
4902-DEL CITY	198,853.27	0.00	198,853.27
4903-MIDWEST CITY	508,460.26	0.00	508,460.26
4904-NORMAN	551,251.47	0.00	551,251.47
Total 4901-MUNI SHARE, OPERATING COST	1,258,565.00	0.00	1,258,565.00
4905-MUNI SHARE, POWER			
4906-DEL CITY	65,625.00	0.00	65,625.00
4907-MIDWEST CITY	264,600.00	0.00	264,600.00
4908-NORMAN	194,775.00	0.00	194,775.00
Total 4905-MUNI SHARE, POWER	525,000.00	0.00	525,000.00
4900-ASSESSMENTS - Other	0.00	11,681.76	0.00
Total 4900-ASSESSMENTS	1,783,565.00	11,681.76	1,783,565.00
4920-OTHER REVENUES			
4921-MISCELLANEOUS RECEIPTS	0.00	600.00	0.00
4922- ASSESSMENT ADJUSTMENTS	0.00	-267,358.75	0.00
4923-BANK INTEREST INCOME	19.25	23,322.65	19.25
4925-DWSRF INTEREST INCOME	298.00	88.76	298.00
4930-SECURITIES VALUE ADJUSTS	0.00	81,473.94	0.00
Total 4920-OTHER REVENUES	317.25	-161,873.40	317.25
Total Income	1,783,882.25	-150,191.64	1,783,882.25
Expense			
5000-PERSONNEL			
5000.1-EMPLOYEES' WAGES	38,066.92	37,147.66	38,066.92
5009-EMPLOYEES' RETIREMENT	3,717.38	4,001.13	3,717.38
5010-DIRECTORS' EXPENSES	0.00	4,813.87	0.00
5011-PAYROLL TAXES	2,912.12	3,393.34	2,912.12
5012-TRAINING, EDUCATION&TRAVEL	25.00	680.00	25.00
5013-UNIFORM & BOOTS ALLOWANCE	0.00	53.98	0.00
5014-EMPLOYEE HEALTH, ETC, INS.	4,073.26	3,786.12	4,073.26
5016-ANNUAL LEAVE ADJUSTMENTS	0.00	9,858.13	0.00
5018-TEMPORARY HELP	1,365.00	1,416.00	1,365.00
Total 5000-PERSONNEL	50,159.68	65,150.23	50,159.68
5100-MAINTENANCE			
5101-PLANT& DAM R&M, SUPPLIES	94.68	10,382.77	94.68
5103-VEHICLE OPS, R&M	1,492.50	2,170.55	1,492.50
5104-BUILDINGS ROADS & GROUNDS	0.00	811.77	0.00
5106-EQUIPMENT R&M, RENTAL	1,734.63	728.85	1,734.63
Total 5100-MAINTENANCE	3,321.81	14,093.94	3,321.81
5200-UTILITIES			
5201-TELEPHONE,PAGING,IT SERVIC	2,071.86	2,274.94	2,071.86
5204-ELECTRICITY	0.00	2,034.21	0.00
5206-WASTE REMOVAL	0.00	151.46	0.00
Total 5200-UTILITIES	2,071.86	4,460.61	2,071.86
5300-INSURANCE AND BONDS			
5301-INSURANCE	0.00	7,624.20	0.00
5305-TREASURER &EMPLOYEE BONDS	0.00	250.00	0.00
Total 5300-INSURANCE AND BONDS	0.00	7,874.20	0.00
5400-ADMINISTRATIVE EXPENSE			
5401-OFFICE SUPPLIES, MATERIALS	1,868.01	1,395.63	1,868.01
Total 5400-ADMINISTRATIVE EXPENSE	1,868.01	1,395.63	1,868.01
5500-PROFESSIONAL SERVICES			
5501-LEGAL	0.00	8,032.50	0.00
5502-ACCOUNTING AND AUDIT	480.00	480.00	480.00
5511-WETLAND-SHORELINE STABILIZ	0.00	16,818.18	0.00
Total 5500-PROFESSIONAL SERVICES	480.00	25,330.68	480.00
5600-WATER QUALITY SERVICES			
5603-WATER QUALITY MONITORING	0.00	12,220.13	0.00
Total 5600-WATER QUALITY SERVICES	0.00	12,220.13	0.00
5800-PUMPING POWER	0.00	123,810.49	0.00
5976-INTEREST EXPENSE-DWSRF	0.00	897.21	0.00
6000-DEPRECIATION	33,106.22	30,351.27	33,106.22
Total Expense	91,007.58	285,584.39	91,007.58
Net Income	1,692,874.67	-435,776.03	1,692,874.67

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09/01/20

Accrual Basis

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT
BANCFIRST #3940 & # 0014 ACTIVITY

July 2020

Type	Date	Num	Name	Memo	Split	Amount	Balance
1023-BANCFIRST #3940 & #0014							
Payment	7/21/2020		DEL CITY		1902-OPERATIONS AND M...	39,221.53	39,221.53
Payment	7/20/2020		MIDWEST CITY		1906-OPERATIONS AND M...	100,287.96	139,509.49
Payment	7/21/2020		DEL CITY		1907-POWER	11,077.48	150,586.97
Payment	7/20/2020		MIDWEST CITY		1907-POWER	52,357.51	202,944.48
Payment	7/14/2020		NORMAN		1910-OPERATIONS AND M...	108,728.02	311,672.50
Payment	7/14/2020		NORMAN		1911-POWER	60,375.51	372,048.01
Deposit	7/14/2020			Deposit	-SPLIT-	5,998.60	378,046.61
Check	7/1/2020		SWEEP CHARGE	Deposit	-SPLIT-	2,176.08	380,222.69
Deposit	7/1/2020			sweep fee rebate	5401-OFFICE SUPPLIES, M...	-452.99	379,769.70
Deposit	7/31/2020			Deposit	5401-OFFICE SUPPLIES, M...	452.99	380,222.69
Transfer	7/10/2020			Funds Transfer	4923-BANK INTEREST INC...	19.25	380,241.94
Check	7/23/2020		Bank charge	refund bank chages	4080-NEW DEL CITY PIPEL...	569,747.66	949,989.60
Deposit	7/23/2020				5401-OFFICE SUPPLIES, M...	-72.55	949,917.05
Check	7/8/2020	1	ESCROW ACCT TSF		5401-OFFICE SUPPLIES, M...	72.55	949,989.60
Bill Pmt -Check	7/8/2020	1	NET PAYROLL	WAGES 06/11/20 THR 07/10...	1920-(BANCFIRST)-DWSRF...	-8,133.02	941,856.58
Bill Pmt -Check	7/8/2020	1	BANCFIIRST	FICA/FWIT THRU 07/10/20	4000-CURRENT CLAIMS PA...	-21,798.44	920,058.14
Bill Pmt -Check	7/8/2020	1	OKLAHOMA TAX COMMISSION	OWIT THRU 07/10/20	4000-CURRENT CLAIMS PA...	-9,557.59	910,500.55
Bill Pmt -Check	7/5/2020	19761	Dennis Yarbro	period ending 6-26-20	4000-CURRENT CLAIMS PA...	-1,328.00	909,172.55
Bill Pmt -Check	7/5/2020	19762	Liam Miller	6-28-20 thru 7-4-20	4000-CURRENT CLAIMS PA...	-5,475.00	903,697.55
Bill Pmt -Check	7/9/2020	19763	Matthews Trenching	disbursement # 7	4000-CURRENT CLAIMS PA...	-468.00	903,199.55
Bill Pmt -Check	7/9/2020	19764	Dobson Technologies		4000-CURRENT CLAIMS PA...	-569,747.66	333,451.89
Bill Pmt -Check	7/9/2020	19765	LOCKE SUPPLY		4000-CURRENT CLAIMS PA...	-915.80	332,536.09
Bill Pmt -Check	7/9/2020	19766	OKLA EMPLOYMENT SEC. COMM.		4000-CURRENT CLAIMS PA...	-512.03	332,024.06
Bill Pmt -Check	7/9/2020	19767	ACE HARDWARE EAST		4000-CURRENT CLAIMS PA...	-531.56	331,472.50
Bill Pmt -Check	7/9/2020	19768	PALACE AUTO SUPPLY		4000-CURRENT CLAIMS PA...	-93.02	331,379.48
Bill Pmt -Check	7/9/2020	19769	O.G. & E.		4000-CURRENT CLAIMS PA...	-120.73	331,258.75
Bill Pmt -Check	7/9/2020	19770	LOWE'S HOME CENTERS, INC.		4000-CURRENT CLAIMS PA...	-32.04	331,226.71
Bill Pmt -Check	7/9/2020	19771	PENLEY OIL COMPANY		4000-CURRENT CLAIMS PA...	-2.78	331,223.93
Bill Pmt -Check	7/9/2020	19772	EMC Insurance		4000-CURRENT CLAIMS PA...	-1,015.07	330,208.86
Bill Pmt -Check	7/9/2020	19773	City of Norman Utility Division		4000-CURRENT CLAIMS PA...	-554.00	329,654.86
Bill Pmt -Check	7/9/2020	19774	American Fidelity (FSA)		4000-CURRENT CLAIMS PA...	-90.85	329,564.01
Bill Pmt -Check	7/9/2020	19775	WATKINS INSURANCE AGENCY, INC.		4000-CURRENT CLAIMS PA...	-250.00	329,314.01
Bill Pmt -Check	7/9/2020	19776	OKLA STATE EDUCATION EMPL. GROU...		4000-CURRENT CLAIMS PA...	-7,070.20	322,243.81
Bill Pmt -Check	7/9/2020	19777	OWN Marketing, Inc.		4000-CURRENT CLAIMS PA...	-3,969.14	318,274.67
Bill Pmt -Check	7/9/2020	19778	OKLAHOMA MUNI RETIREMENT FUND		4000-CURRENT CLAIMS PA...	-2,235.00	316,039.67
Bill Pmt -Check	7/9/2020	19779	OKLAHOMA MUNI RETIREMENT FUND		4000-CURRENT CLAIMS PA...	-6,347.23	309,692.44
Bill Pmt -Check	7/9/2020	19780	Angela's Advertising & Design, Inc.		4000-CURRENT CLAIMS PA...	-1,026.90	308,665.54
Bill Pmt -Check	7/9/2020	19781	Alan Plummer Associates, Inc.		4000-CURRENT CLAIMS PA...	-47.50	308,618.04
Bill Pmt -Check	7/9/2020	19782	University Of Oklahoma Norman Campus		4000-CURRENT CLAIMS PA...	-9,083.20	299,534.84
Bill Pmt -Check	7/9/2020	19783	COPELIN'S OFFICE CENTER		4000-CURRENT CLAIMS PA...	-2,724.48	296,810.36
Bill Pmt -Check	7/10/2020	19784	Alan Plummer Associates, Inc.		4000-CURRENT CLAIMS PA...	-85.47	296,724.89
Bill Pmt -Check	7/10/2020	19785	R.K. Black, Inc.		4000-CURRENT CLAIMS PA...	-1,908.79	294,816.10
Bill Pmt -Check	7/10/2020	19786	O'Reilly Automotive, Inc.		4000-CURRENT CLAIMS PA...	-102.46	294,713.64
Bill Pmt -Check	7/10/2020	19787	CUSTOM SHEET METAL		4000-CURRENT CLAIMS PA...	-41.96	294,671.68
Bill Pmt -Check	7/10/2020	19788	P & K Equipment		4000-CURRENT CLAIMS PA...	-300.00	294,371.68
Bill Pmt -Check	7/14/2020	19789	Cardmember Service ***		4000-CURRENT CLAIMS PA...	-87.42	294,284.26
Bill Pmt -Check	7/14/2020	19790	OEC Fiber		4000-CURRENT CLAIMS PA...	-5,799.68	288,484.58
Bill Pmt -Check	7/14/2020	19791	OKLAHOMA WATER RESOURCES BOARD		4000-CURRENT CLAIMS PA...	-125.00	288,359.58
Bill Pmt -Check	7/14/2020	19792	AT&T		4000-CURRENT CLAIMS PA...	-12,220.13	276,139.45
Bill Pmt -Check	7/14/2020	19793	CUSTOM SHEET METAL		4000-CURRENT CLAIMS PA...	-581.04	275,558.41
Bill Pmt -Check	7/14/2020	19794	Ed Blake III		4000-CURRENT CLAIMS PA...	-1,040.00	274,518.41
Bill Pmt -Check	7/15/2020	19795	Ed Blake III		4000-CURRENT CLAIMS PA...	-350.00	274,168.41
Bill Pmt -Check	7/15/2020	19796	GableGottwals		4000-CURRENT CLAIMS PA...	-3,150.00	271,018.41
Bill Pmt -Check	7/15/2020	19797	John Deere Financial		4000-CURRENT CLAIMS PA...	-4,207.50	266,810.91
Bill Pmt -Check	7/15/2020	19798	OEC		4000-CURRENT CLAIMS PA...	-488.02	266,322.89
Bill Pmt -Check	7/15/2020	19799	Dennis Yarbro		4000-CURRENT CLAIMS PA...	-81.00	266,241.89
Bill Pmt -Check	7/15/2020	19800	Texas Life Insurance Company		4000-CURRENT CLAIMS PA...	-7,425.00	258,816.89
Bill Pmt -Check	7/20/2020	19801	OKLAHOMA MUNI RETIREMENT FUND		4000-CURRENT CLAIMS PA...	-27.28	258,789.61
Bill Pmt -Check	7/20/2020	19802	BancFirst		4000-CURRENT CLAIMS PA...	-500.00	258,289.61
Bill Pmt -Check	7/20/2020	19803	Pioneer Equipment Inc		4000-CURRENT CLAIMS PA...	-500.00	257,789.61
Bill Pmt -Check	7/20/2020	19804	Teamviewer GmbH		4000-CURRENT CLAIMS PA...	-269.15	257,520.46
Bill Pmt -Check	7/20/2020	19805	Liam Miller		4000-CURRENT CLAIMS PA...	-758.00	256,762.46
Bill Pmt -Check	7/20/2020	19806	BRUCE SLOAN		4000-CURRENT CLAIMS PA...	-867.00	255,895.46
Bill Pmt -Check	7/20/2020	19807	Oklahoma Department of Labor		4000-CURRENT CLAIMS PA...	-1,505.48	254,379.98
Bill Pmt -Check	7/22/2020	19808	OKLAHOMA MUNI RETIREMENT FUND		4000-CURRENT CLAIMS PA...	-25.00	254,354.98
Bill Pmt -Check	7/22/2020	19809	CHARLES E. WADSACK		4000-CURRENT CLAIMS PA...	-300.00	254,054.98
Bill Pmt -Check	7/22/2020	19810	American Fidelity Assurance		4000-CURRENT CLAIMS PA...	-460.00	253,574.98
Bill Pmt -Check	7/22/2020	19811	AT & T MOBILITY		4000-CURRENT CLAIMS PA...	-613.84	252,961.14
Bill Pmt -Check	7/23/2020	19812	DCM Internet		4000-CURRENT CLAIMS PA...	-375.02	252,586.12
Bill Pmt -Check	7/23/2020	19813	PENLEY OIL COMPANY		4000-CURRENT CLAIMS PA...	-75.00	252,511.12
Bill Pmt -Check	7/23/2020	19814	R.K. Black, Inc.		4000-CURRENT CLAIMS PA...	-1,452.50	251,058.62
Bill Pmt -Check	7/24/2020	19815	O.G. & E.		4000-CURRENT CLAIMS PA...	-112.08	250,946.54
Total 1023-BANCFIRST #3940 & #0014						195,201.62	195,201.62
TOTAL						195,201.62	195,201.62

Type	Date	Num	Name	Memo	Class	Clr	Split	Amount	Balance
4000-CURRENT CLAIMS PAYABLE									0.00
Bill	7/31/2020	1	NET PAYROLL	WAGES FO...			-SPLIT-	24,103.23	24,103.23
Bill	7/31/2020	1	BANCFIIRST	FICA/FWIT ...			-SPLIT-	9,806.24	33,909.47
Bill	7/31/2020	1	OKLAHOMA TAX ...	OWIT THRU...			4013-OWIT P...	1,374.00	35,283.47
Total 4000-CURRENT CLAIMS PAYABLE								35,283.47	35,283.47
TOTAL								35,283.47	35,283.47

ACCOUNTANT'S NOTES

- Boat dock rent received for the month was \$0.00

Del City pipeline costs for the month were \$5,512.50
Year to date Del City pipeline costs are \$5,512.50

Monthly advances on the Del City Pipeline loan were \$569,747.66
Year to date Del City pipeline loan advances are \$569,747.66

Other fixed asset acquisitions during the month: NONE

Year to date other fixed asset acquisitions total \$0.00
Budgeted asset acquisitions for FYE '21 total \$43,000.00

The preparer of these statements is not a "public accountant", and they are not intended for third party reliance.

Item D.4.

IN THE DISTRICT COURT OF CLEVELAND COUNTY

STATE OF OKLAHOMA

IN Re CENTRAL OKLAHOMA MASTER)
) No. 18422
CONSERVANCY DISTRICT.)

ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the Honorable _____, Judge of the
District Court:

As required by Title 82, Section 649, Oklahoma Statutes, the Board of
Directors of the above-named Master Conservancy District, submits the following
report for the fiscal year beginning July 1, 2019, and ending June 30, 2020:

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09/01/20

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT
Statement of Cash Flows
July 2019 through June 2020

	Jul '19 - Jun 20
OPERATING ACTIVITIES	
Net Income	441,608.61
Adjustments to reconcile Net Income to net cash provided by operations:	
1900-ASSESSMENTS RECEIVABLE:1901-DEL CITY:1902-OPERATIONS AND MAINTENANCE	40,227.98
1900-ASSESSMENTS RECEIVABLE:1901-DEL CITY:1903-POWER	1,203.96
1900-ASSESSMENTS RECEIVABLE:1905-MIDWEST CITY:1906-OPERATIONS AND MAINTENANCE	102,861.42
1900-ASSESSMENTS RECEIVABLE:1905-MIDWEST CITY:1907-POWER	-6,303.51
1900-ASSESSMENTS RECEIVABLE:1909-NORMAN:1910-OPERATIONS AND MAINTENANCE	111,518.09
1900-ASSESSMENTS RECEIVABLE:1909-NORMAN:1911-POWER	-15,636.82
1920-(BANCFIRST)-DWSRF ESCROW	8,324.81
1951-DWSRF REPYMT DUE-CURRENT	3.19
4000-CURRENT CLAIMS PAYABLE	3,756.64
4002-DWSRF INTEREST PAYABLE	-137.71
4009-FYE ACCRUALS	578,452.01
4010-PAYROLL DEDUCTIONS:4014-RETIREMENT PLAN PAYABLE	-661.09
4010-PAYROLL DEDUCTIONS:4016-GROUP INSURANCE PAYABLE	-429.82
4010-PAYROLL DEDUCTIONS:4016.5 LIFE INS PAYABLE	-324.43
4017-COMPENSATED ABSENCES	-979.58
4019-CONTRACTS-DUE W/1 YEAR:4019.3-DWSRF CURRENT PYMTS	2.30
Net cash provided by Operating Activities	1,263,486.05
INVESTING ACTIVITIES	
2000-WATER SUPPLY ASSETS:NEW DEL CITY PIPELINE	-2,405,563.33
2020-OTHER PURCHASED ASSETS:OFFICE EQUIPMENT	-6,985.00
2020-OTHER PURCHASED ASSETS:PLANT AND DAM EQUIPMENT	-23,736.47
2020-OTHER PURCHASED ASSETS:VEHICLES AND BOATS	-55,110.00
2030-ALLOWANCE FOR DEPRECIATION	369,863.06
DWSRF REPAYMENTS-NONCURRENT	94,428.05
Net cash provided by Investing Activities	-2,027,103.69
FINANCING ACTIVITIES	
4020-CONTRACTS PAYABLE:4055-DWSRF PAYMENTS:4075-SUBSEQUENT PAYMENTS	-94,428.05
4020-CONTRACTS PAYABLE:4080-NEW DEL CITY PIPELINE LOAN	1,539,477.43
4806.5 UNRESTRICTED SURPLUS:4807-UNRESTRICTED SURPLUS	1,193,402.60
4806.5 UNRESTRICTED SURPLUS:4808-FYE '19 ADJUSTS-PRIOR YRS	-369,449.59
Retained Earnings	-833,376.02
Net cash provided by Financing Activities	1,435,626.37
Net cash increase for period	672,008.73
Cash at beginning of period	5,673,152.28
Cash at end of period	6,345,161.01

Matters or proceedings of significance occurring during the fiscal year ending June 30, 2020, or in progress at June 30, 2020, are as follows, to-wit:

-The Central Oklahoma Master Conservancy District Balance Sheet (Prev. Year Comparison) as of June 30, 2020, and Profit & Loss-(Prev. Year Comparison) for the Fiscal Year Ending June 30, 2020, are attached hereto and made a part of the Annual Report of the Board of Directors.

-Refer to the copy of the (most recent) annual audit for FYE 6/30/19 by Finley & Cook., Certified Public Accountants, which is attached hereto.

-Refer to the summary of legal matters of significance affecting the Conservancy District during FYE 6/30/20, labeled "Addendum re Legal Matters to Annual Report of Central Oklahoma Master Conservancy District to the Cleveland County District Court", which is attached hereto.

The above is a true and complete report as required by statute.

Witness our hands this ____ day of _____, 2020.

President

Treasurer

Attest:

Secretary

Bank Reconciliation:

Balance per BancFirst Bank Statement Acct # xxxx3940 dated June 30, 2020	\$150,000.00
Balance per BancFirst Bank Statement Acct # xxxx0014 dated June 30, 2020	<u>\$2,071,999.45</u>
Subtotal	\$2,221,999.45
 Add: Deposits in transit at June 30,2020	 0.00
Less: checks outstanding at June 30, 2020	
Check #19735 to OEC Fiber	(\$125.00)
Check #19748 to Dept of Environmental Quality	(\$230.00)
Check #19749 to DCM Internet	(\$75.00)
Check #19753 to Casey Hurt	(\$631.16)
Check #19754 to Kevin Anders	(\$918.34)
Check #19756 to Roger Frech	(\$766.80)
Check #19758 to William Janacek	(\$760.06)
Check #11759 to Charles Wadsack	<u>(\$480.00)</u>
 Reconciled balance Acct#xxx3940 & Acct #xxxx0014 at June 30,2020	 <u>\$2,218,013.09</u>

Attachments:

-Central Oklahoma Master Conservancy District Balance Sheet (Prev. Year Comparison) as of June 30, 2020

-Central Oklahoma Master Conservancy District Profit & Loss (Prev. Year Comparison) July 2019 through June 2020.

-

-BancFirst, Moore, OK Bank Statement of Account Number xxxx3940 dated 06/29/19

-BancFirst, Moore OK Bank Statement of Account Number xxxx0014 dated 06/29/19

-Addendum re Legal Matters to Central Oklahoma Master Conservancy District Annual Report to the Cleveland County District Court for the Year Ending June 30, 2020.

-Annual Audit for FYE 6/30/19.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT
Balance Sheet
As of June 30, 2020

	Jun 30, 20	Jun 30, 19
ASSETS		
Current Assets		
Checking/Savings		
1023-BANCFIRST #3940 & #0014	2,218,013.09	1,961,373.08
1024-BANCFIRST #2775	0.00	2,053.69
1027-1ST UTD BANK-SRF #7024	0.00	10,887.24
1051-BANCFIRST # 8204 (AT MKT)	4,127,147.92	3,698,838.27
Total Checking/Savings	6,345,161.01	5,673,152.28
Accounts Receivable		
1900-ASSESSMENTS RECEIVABLE		
1901-DEL CITY		79,449.51
1902-OPERATIONS AND MAINTENANCE	39,221.53	12,281.44
1903-POWER	11,077.48	
Total 1901-DEL CITY	50,299.01	91,730.95
1905-MIDWEST CITY		203,149.38
1906-OPERATIONS AND MAINTENANCE	100,287.96	46,054.00
1907-POWER	52,357.51	
Total 1905-MIDWEST CITY	152,645.47	249,203.38
1909-NORMAN		220,246.11
1910-OPERATIONS AND MAINTENANCE	108,728.02	44,738.69
1911-POWER	60,375.51	
Total 1909-NORMAN	169,103.53	264,984.80
Total 1900-ASSESSMENTS RECEIVABLE	372,048.01	605,919.13
Total Accounts Receivable	372,048.01	605,919.13
Other Current Assets		
1920-(BANCFIRST)-DWSRF ESCROW	24,639.87	32,964.68
1951-DWSRF REPYMT DUE-CURRENT	64,566.56	64,569.75
Total Other Current Assets	89,206.43	97,534.43
Total Current Assets	6,806,415.45	6,376,605.84
Fixed Assets		
2000-WATER SUPPLY ASSETS		
BUILDING AND STRUCTURES	54,811.23	54,811.23
DAM AND RESERVOIR	4,680,177.00	4,680,177.00
EQUIPMENT AND FENCE	31,209.74	31,209.74
NEW DEL CITY PIPELINE	2,897,504.47	491,941.14
PIPELINE	3,402,225.92	3,402,225.92
PUMPING PLANT	1,546,837.67	1,546,837.67
Total 2000-WATER SUPPLY ASSETS	12,612,766.03	10,207,202.70
2010-TRANSFERRED FROM BUREC		
OFFICE FURNITURE & FIXTURES	1,326.00	1,326.00
SHOP TOOLS	853.00	853.00
Total 2010-TRANSFERRED FROM BUREC	2,179.00	2,179.00
2020-OTHER PURCHASED ASSETS		
BUILDINGS,STRUCTURES & ROADS	2,060,361.87	2,060,361.87
OFFICE EQUIPMENT	99,280.89	92,295.89
PLANT AND DAM EQUIPMENT	5,052,092.56	5,028,356.09
VEHICLES AND BOATS	734,922.67	679,812.67
Total 2020-OTHER PURCHASED ASSETS	7,946,657.99	7,860,826.52
2030-ALLOWANCE FOR DEPRECIATION	-9,330,895.20	-8,961,032.14
Total Fixed Assets	11,230,707.82	9,109,176.08
Other Assets		
DWSRF REPAYMENTS-NONCURRENT	520,802.36	615,230.41
Total Other Assets	520,802.36	615,230.41
TOTAL ASSETS	18,557,925.63	16,101,012.33

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT
Balance Sheet
As of June 30, 2020

	Jun 30, 20	Jun 30, 19
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	32,684.03	28,927.39
4000-CURRENT CLAIMS PAYABLE		
Total Accounts Payable	32,684.03	28,927.39
Other Current Liabilities		
4002-DWSRF INTEREST PAYABLE	897.21	1,034.92
4009-FYE ACCRUALS	685,884.26	107,432.25
4010-PAYROLL DEDUCTIONS		
4014-RETIREMENT PLAN PAYABLE	4,864.85	5,525.94
4016-GROUP INSURANCE PAYABLE	787.00	1,216.82
4016.5 LIFE INS PAYABLE	0.00	324.43
Total 4010-PAYROLL DEDUCTIONS	5,651.85	7,067.19
4017-COMPENSATED ABSENCES	17,150.38	18,129.96
4019-CONTRACTS-DUE W/I 1 YEAR		
4019.3-DWSRF CURRENT PYMTS	94,428.05	94,425.75
Total 4019-CONTRACTS-DUE W/I 1 YEAR	94,428.05	94,425.75
Total Other Current Liabilities	804,011.75	228,090.07
Total Current Liabilities	836,695.78	257,017.46
Long Term Liabilities		
4020-CONTRACTS PAYABLE		
4055-DWSRF PAYMENTS		
4075-SUBSEQUENT PAYMENTS	520,802.36	615,230.41
Total 4055-DWSRF PAYMENTS	520,802.36	615,230.41
4080-NEW DEL CITY PIPELINE LOAN	1,539,477.43	0.00
Total 4020-CONTRACTS PAYABLE	2,060,279.79	615,230.41
Total Long Term Liabilities	2,060,279.79	615,230.41
Total Liabilities	2,896,975.57	872,247.87
Equity		
4802-BOR MANDATED MAINTRESERVE	50,000.00	50,000.00
4803-RESTRICTED-CAP IMPRVEMENTS	400,000.00	400,000.00
4806.5 UNRESTRICTED SURPLUS		
4807-UNRESTRICTED SURPLUS	14,778,764.46	13,585,361.86
4808-FYE '19 ADJUSTS-PRIOR YRS	-9,423.01	360,026.58
Total 4806.5 UNRESTRICTED SURPLUS	14,769,341.45	13,945,388.44
Net Income	441,608.61	833,376.02
Total Equity	15,660,950.06	15,228,764.46
TOTAL LIABILITIES & EQUITY	18,557,925.63	16,101,012.33

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT
Profit & Loss-Prev Year Comparison
July 2019 through June 2020-Final

	Jul '19 - Jun 20	Jul '18 - Jun 19	\$ Change
Income			
4900-ASSESSMENTS			
4901-MUNI SHARE, OPERATING COST			
4902-DEL CITY	313,772.20	317,798.04	-4,025.84
4903-MIDWEST CITY	802,303.60	812,597.52	-10,293.92
4904-NORMAN	869,824.20	880,984.44	-11,160.24
Total 4901-MUNI SHARE, OPERATING C...	1,985,900.00	2,011,380.00	-25,480.00
4905-MUNI SHARE, POWER			
4906-DEL CITY	65,625.00	65,625.00	0.00
4907-MIDWEST CITY	264,600.00	264,600.00	0.00
4908-NORMAN	194,775.00	194,775.00	0.00
Total 4905-MUNI SHARE, POWER	525,000.00	525,000.00	0.00
4900-ASSESSMENTS - Other	11,681.76	0.00	11,681.76
Total 4900-ASSESSMENTS	2,522,581.76	2,536,380.00	-13,798.24
4920-OTHER REVENUES			
4920.5 BOR COST SHARING FUNDS	0.00	16,792.45	-16,792.45
4921-MISCELLANEOUS RECEIPTS	26,882.62	49,568.21	-22,685.59
4922- ASSESSMENT ADJUSTMENTS	-300,490.60	-39,733.68	-260,756.92
4923-BANK INTEREST INCOME	141,689.58	153,782.47	-12,092.89
4925-DWSRF INTEREST INCOME	3,812.07	4,551.04	-738.97
4930-SECURITIES VALUE ADJUSTS	55,788.59	125,231.66	-69,443.07
Total 4920-OTHER REVENUES	-72,317.74	310,192.15	-382,509.89
Total Income	2,450,264.02	2,846,572.15	-396,308.13
Expense			
5000-PERSONNEL			
5000.1-EMPLOYEES' WAGES	371,110.02	400,396.49	-29,286.47
5009-EMPLOYEES' RETIREMENT	23,771.34	52,156.48	-28,385.14
5010-DIRECTORS' EXPENSES	4,813.87	3,788.59	1,025.28
5011-PAYROLL TAXES	29,693.63	31,926.54	-2,232.91
5012-TRAINING, EDUCATION&TRAVEL	2,677.85	1,369.91	1,307.94
5013-UNIFORM & BOOTS ALLOWANCE	2,163.99	2,438.89	-274.90
5014-EMPLOYEE HEALTH, ETC, INS.	48,756.04	57,080.40	-8,324.36
5015-WORKMEN'S COMPENSATION	10,933.64	12,434.00	-1,500.36
5016-ANNUAL LEAVE ADJUSTMENTS	9,858.13	31.88	9,826.25
5017-SERVICE & SAFETY AWARDS	2,725.00	4,750.00	-2,025.00
5018-TEMPORARY HELP	16,630.00	0.00	16,630.00
5019-SEVERANCE	89,133.66	0.00	89,133.66
Total 5000-PERSONNEL	612,267.17	566,373.18	45,893.99
5100-MAINTENANCE			
5101-PLANT& DAM R&M, SUPPLIES	62,075.66	123,316.73	-61,241.07
5103-VEHICLE OPS, R&M	30,251.94	23,660.48	6,591.46
5104-BUILDINGS ROADS & GROUNDS	8,386.56	15,599.11	-7,212.55
5106-EQUIPMENT R&M, RENTAL	23,355.30	12,383.47	10,971.83
Total 5100-MAINTENANCE	124,069.46	174,959.79	-50,890.33
5200-UTILITIES			
5201-TELEPHONE,PAGING,IT SERVIC	23,690.32	18,892.30	4,798.02
5204-ELECTRICITY	10,482.86	9,900.27	582.59
5205-PROPANE	2,655.00	1,432.00	1,223.00
5206-WASTE REMOVAL	834.69	792.57	42.12
Total 5200-UTILITIES	37,662.87	31,017.14	6,645.73
5300-INSURANCE AND BONDS			
5301-INSURANCE	54,962.20	49,959.60	5,002.60
5305-TREASURER &EMPLOYEE BONDS	250.00	500.00	-250.00
Total 5300-INSURANCE AND BONDS	55,212.20	50,459.60	4,752.60
5400-ADMINISTRATIVE EXPENSE			
5401-OFFICE SUPPLIES, MATERIALS	16,347.14	21,933.53	-5,586.39
Total 5400-ADMINISTRATIVE EXPENSE	16,347.14	21,933.53	-5,586.39
5500-PROFESSIONAL SERVICES			
5501-LEGAL	19,070.33	39,826.14	-20,755.81
5502-ACCOUNTING AND AUDIT	24,310.00	23,830.00	480.00
5505-SURVEY CONTRACT	0.00	15,600.00	-15,600.00
5511-WETLAND-SHORELINE STABILIZ	83,221.45	99,315.23	-16,093.78
Total 5500-PROFESSIONAL SERVICES	126,601.78	178,571.37	-51,969.59
5600-WATER QUALITY SERVICES			
5601-STREAM GAUGING (OWRB)	12,400.00	12,400.00	0.00
5603-WATER QUALITY MONITORING	80,038.80	64,639.33	15,399.47
5607-O2 TANK RENTAL-SDOX SYSTEM	52,468.94	56,404.08	-3,935.14
Total 5600-WATER QUALITY SERVICES	144,907.74	133,443.41	11,464.33
5700-CONTINGENCY	0.00	0.00	0.00
5800-PUMPING POWER	484,428.64	456,758.75	27,669.89
5976-INTEREST EXPENSE-DWSRF	3,292.45	4,936.89	-1,644.44
6000-DEPRECIATION	403,865.96	394,742.47	9,123.49
Total Expense	2,008,655.41	2,013,196.13	-4,540.72
Net Income	441,608.61	833,376.02	-391,767.41

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CONSERVANCY DISTRICT
12500 ALAMEDA DR
NORMAN OK 73026-8604

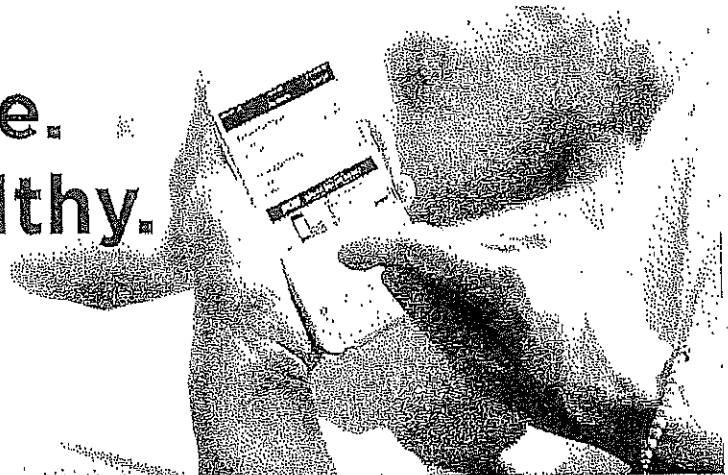


PAGE 1

ACCOUNT NUMBER	3940
STATEMENT DATE	6/30/20

Stay Home.
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MOBILE APP
ONLINE BANKING
DAILY DATA LINE



ACCOUNT ANALYSIS

Beginning Balance	6/01/20	150,000.00
Deposits / Misc Credits	20	771,317.29
Withdrawals / Misc Debits	51	771,317.29
** Ending Balance	6/30/20	150,000.00 **

Service Charge	74.19
Enclosures	47

DEPOSITS

Date	Deposits	Withdrawals	Activity Description
6/04	6,479.06		Trnsfr from Checking Acct Ending in 0014
6/05	2,060.96		TRANSFER FROM DP XXXXXX2775 closed Acct 2775
6/08	888.89		Trnsfr from Checking Acct Ending in 0014
6/09	2,176.08		DEPOSIT
6/09	16,855.73		DEPOSIT closed First United Acct 7024
6/09	24,708.44		Trnsfr from Checking Acct Ending in 0014
6/12	32,381.15		Trnsfr from Checking Acct Ending in 0014
6/15	8,582.69		Trnsfr from Checking Acct Ending in 0014
6/17	1,150.15		Trnsfr from Checking Acct Ending in 0014
6/18	74.19		DEPOSIT
6/18	13,232.23		Trnsfr from Checking Acct Ending in 0014
6/19	600.00		VENDOR PAYMENTS/MISC REIMB
6/19	17,880.94		Trnsfr from Checking Acct Ending in 0014
6/22	8,534.46		Trnsfr from Checking Acct Ending in 0014
6/23	290,489.37		WATER RES BOARD/CAP GRNTS
6/24	724.29		Trnsfr from Checking Acct Ending in 0014

Continued on Reverse



MSI REV 7/17

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5727-SYMT

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MOORE OK 73153-0309



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BANCFIRST - MOORE

JULY 07, 2020

OFFICER: CAL
ACCOUNT TYPE: 068

ACCOUNT NUMBER:  3940

Y1111NATMAB 1482 1 AB 0. *0001482 S2



CENTRAL OKLAHOMA MASTER
CONSERVANCY DISTRICT
12500 ALAMEDA DR
NORMAN OK 73026-8604



ACCOUNT ANALYSIS STATEMENT
CYCLE ENDING JUNE 30, 2020 FOR 30 DAYS

=====BALANCE ANALYSIS=====	
AVERAGE DAILY LEDGER BALANCE	150,637.73
LESS: AVERAGE DAILY FLOAT	637.73
ADJUSTED AVERAGE COLLECTED BALANCE	150,000.00
AVERAGE AVAILABLE BALANCE	150,000.00
BALANCE EARNINGS ALLOWANCE (.1625%)	20.03
GROSS ACCOUNT EARNINGS	20.03
=====ANALYSIS SUMMARY=====	
GROSS ACCOUNT EARNINGS	20.03
LESS: TOTAL SERVICES PROVIDED	92.58
ACCT EARNINGS DEFICIENCY	72.55-
AMOUNT CHARGED	72.55



8002



=====SERVICE SUMMARY=====

CODE	SERVICES PROVIDED	AMT/VOLUME	UNIT PRICE	TOTAL CHG
	GENL ACCT SVCS			
010000	DDA Maintenance	1	10.0000	10.00
	TOTAL GENL ACCT SVCS			10.00
	DEPOSITORY SVCS			
100000	Deposit	3	.1800	.54
100222	Deposited Checks / Oklahoma	2	.0620	.12
	TOTAL DEPOSITORY SVCS			.66
	PAPER DISBURSEMENT SVCS			
150100	Checks Paid	44	.1800	7.92
	TOTAL PAPER DISBURSEMENT SVCS			7.92
	GENL ACH SVCS			
250101	ACH / Originated - Credit	7	.0800	.56
250200	ACH & Electronic Debit	3	.1800	.54
250201	ACH & Electronic Credit	3	.1800	.54
250501	ACH / Files Transmitted	1	7.5000	7.50
	TOTAL GENL ACH SVCS			9.14
	INFO SVCS			
400057	Info Reporting/Internet - SBOB PKG	1	25.0000	25.00
400058	Info Reporting/SBOB Per Acct	3	5.0000	15.00
400820	Info Reporting / Manual - Add Users	1	10.0000	10.00
	TOTAL INFO SVCS			50.00
	ADDITIONAL SERVICES			
900000	REGULATORY ASSESSMENT	1	.1200	14.86
	TOTAL ADDITIONAL SERVICES			14.86
	TOTAL			92.58

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BANCFIRST - MOORE

JULY 07, 2020

OFFICER: CAL
ACCOUNT TYPE: 068

CENTRAL OKLAHOMA MASTER
CONSERVANCY DISTRICT
12500 ALAMEDA DR
NORMAN OK 73026-8604

ACCOUNT NUMBER: [REDACTED] 3940

=====ACCOUNT HISTORY=====						
MO/YR	AVERAGE LEDGER	AVERAGE COLLECTED	TOTAL SERVICES	EARN RATE	DEFICIENCY	
05/20	158,559	150,000	93.30	.1500%	74.19-	
04/20	181,791	150,000	86.19	.1625%	66.16-	
03/20	150,000	150,000	84.07	.1913%	59.70-	
02/20	158,592	150,000	82.25	1.5375%	0.00	
01/20	170,840	150,000	84.76	1.5275%	0.00	
12/19	150,000	150,000	86.95	1.5338%	0.00	
11/19	150,000	150,000	81.05	1.5463%	0.00	
10/19	171,932	150,000	87.57	1.6425%	0.00	
09/19	150,000	150,000	93.79	1.9250%	0.00	
08/19	150,000	150,000	81.27	1.9500%	0.00	
07/19	169,546	150,000	92.19	2.1088%	0.00	
06/19	150,000	150,000	89.07	2.1988%	0.00	

4022



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0014

Kyle Brown
7-9-2020

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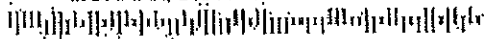
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Account Information
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12500 ALAMEDA DR
NORMAN, OK 73026-8604

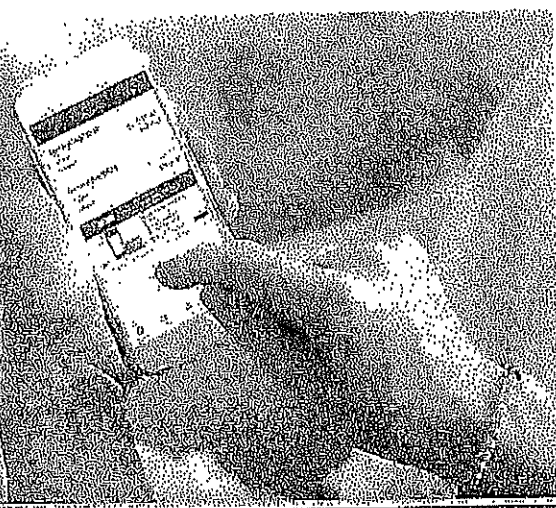


PAGE 1

ACCOUNT NUMBER
2775
STATEMENT DATE
6/05/20

Stay Home.
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- MOBILE APP
- ONLINE BANKING
- DAILY DATA LINE



PERFORMANCE CHK (C)

Beginning Balance:	5/19/20	2,060.96
Deposits / Misc Credits:	.0	.00
Withdrawals / Misc Debits	1	2,060.96
** Ending Balance	6/07/20	.00 **

Service Charge: .00
Interest Paid Year To Date 2.56

DEPOSITS		OTHER DEBITS			
Date	Deposits	Withdrawals	Activity Description	Date	Balance
6/05		2,060.96	TRANSFER TO DD-XXXXXX3940		
DAILY BALANCE SUMMARY					
Date	Balance	Date	Balance	Date	Balance
6/05	.00				

8021-00000



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First United - Norman East
801 12th Ave
Norman OK 73071-6326



Customer Service (800) 924-4427

Account XXXXX7024

Page 1 of 6



100411-01A*53*18363 *****AUTO**SCH 5-DIGIT 73069
CENTRAL OKLAHOMA MASTER CONSERVANCY DIST
STATE REVOLVING FUND
12500 ALAMEDA DR
NORMAN OK 73026-8604

CHECKING ACCOUNTS

Advantage Money Market Public

Account Number	XXXXXX7024
Previous Balance	\$25,130.41
Deposits/Credits	\$0.00
2 Checks/Debits	\$25,130.41
Service Charge	\$0.00
Interest Paid	\$0.00
Current Balance	\$0.00

Number of Enclosures	2
Statement Dates	6/01/20 thru 6/30/20
Days in the statement period	30
Average Ledger	\$4,794.01
Average Collected	\$4,794.01
2020 Interest Paid	\$10.69

Checks

Date	Check No	Amount
6/09		\$16,955.73

* Denotes skip in check numbers

Date	Check No	Amount
6/02	1126*	\$8,174.68

Daily Balance Summary

Date	Balance	Date	Balance	Date	Balance
6/01	\$25,130.41	6/02	\$16,955.73	6/09	\$0.00

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NOTICE TO CUSTOMERS

The purchase of an Indemnity Bond will be required
before any Cashier's Check will be replaced or
refunded in the event it is lost, misplaced or stolen.

Cashier's Check

1586385

DATE: 6/09/20

REMITTER: CENTRAL OKLA MASTER CONSERVANCY DISTRICT

BRANCH: 0043
ORIGINATOR: KBURROWS
TIME: 9:22:58
CK AMT: \$16,955.73
FEE AMT: \$.00

TO: CENTRAL OKLA MASTER CONSERVANCY DISTRICT

TOTAL: \$16,955.73

NON-NEGOTIABLE

**Addendum re Legal Matters to Annual Report of Central
Oklahoma Master Conservancy District to the Cleveland County
District Court**

**Other than appointments of Board members by the District Court,
no legal actions were requested or taken by the District in the past
year.**

**Central Oklahoma Master Conservancy District
Board Officers and Members for FY 19-20**

City	Director	Term expires
Norman	Roger Frech, President	June 2022
Del City	Mark Edwards, Vice President	June 2020
Norman	Jann Knotts, Treasurer	June 2020
Midwest City	Kevin Anders, Secretary	June 2022
Norman	Amanda Nairn	June 2022
Midwest City	William Janacek	June 2022
Midwest City	Casey Hurt	June 2020

As of June 30th, 2020, the District's officers were: Roger Frech, President and chairman of the Board, Mark Edwards, Vice President, Kevin Anders, Secretary; and Jann Knotts, Treasurer.

The District Manager is Kyle Arthur, effective date March 21, 2020.

General Counsel is Dean Couch, OBA#1939

2019-2020 Annual Report to the District Court of Cleveland County Year Summary of Major Actions

Notice of Cancellation of the Parker Reservoir water rights permit application.

Notice of Cancellation of the permit application for the water rights in the Kiamichi River.

Award Matthews Trenching the construction contract for the Del City Pipeline Project.

Execution of memorandum of agreement with OWRB and USGS for stream gaging fiscal year ending June 2020.

Financing agreements with Norman, Midwest City and Del City respecting Del City Aqueduct replacement. (Del City Pipeline Project)

Binding commitment with DEQ to make a Drinking Water State Revolving Fund (DWSRF) Loan for Project No. P40-0000001-02, (Loan No. ORF-19-0008-DW), Drinking Water System Improvements. (Del City Pipeline Project)

Resolution authorizing a loan from OWRB in the principal amount of \$5,643,681.00.

Authorizing the issuance of a series 2019 Drinking Water SRF promissory note in the principal amount of \$5,643,681.00 for a term of 15 years. (Del City Pipeline Project)

Approved and authorized the execution of a Loan Agreement for Drinking Water SRF loan pertaining to said promissory note to OWRB. (Del City Pipeline Project)

Trust agreement between COMCD and BancFirst approving & authorizing payment of fees and expenses. (Del City Pipeline Project)

Approving various covenants and authorizing execution of other documents pertaining to said loan and containing other provisions related thereto.

Security Agreement between COMCD and OWRB for 2019 Drinking Water SRF Note. (Del City Pipeline Project)

Insurance Certification signed in accordance with OWRB Loan Agreement for the Del City Pipeline Project.

Agreement between COMCD and Matthews Trenching Co., Inc. (Del City Pipeline Project)

Gate repairs were performed in coordination with Bureau of Reclamation.

August 21, 2019, during COMCD Special Board Meeting, the Board unanimously voted to initiate negotiations to sever relations & immediately suspend the General Manager.

Neal Engleman was voted unanimously, on a temporary and, part-time basis, as Executive Director with terms to be set & negotiated with the Board President.

August 22, 2019 the District Legal Counsel, Mike Wofford, hand delivered his resignation letter.

The Board voted unanimously to retain Alan Plummer Associates for services of construction manager to oversee the Del City Pipeline Replacement.

Professional Services Agreement between COMCD & McAfee & Taft, P.C. for issues related to human resources/personnel as needed.

The Board voted unanimously to retain Casey Hurt on the Board as a representative of Midwest City.

The Board voted unanimously to delay further action on partial title transfer of the Norman Project until the position of General Manager is filled.

A time extension contract between the Bureau of Reclamation and COMCD for the Shoreline Erosion Research Project was signed.

Discussion of qualifications to be considered in the search of new General Manager and new District Legal Counsel.

Monthly status reports were given at the Board Meetings by Alan Plummer Associates on the Del City Pipeline Project.

Approval of the Annual Report FY 18-19, that is filed at Cleveland County Court.

Approval of the District's schedule of Regular Meetings for calendar year 2020.

A letter was sent to the Bureau of Reclamation supporting the application of the Lake Thunderbird Watershed Partnership for a WaterSmart Grant.

An Amended Agreement between COMCD and Matthews Trenching for construction for the Del City Pipeline Project was approved and executed. McAfee & Taft was hired by the District to give an opinion to DEQ regarding the construction contract between COMCD and Matthews Trenching. Attorney Justin Jackson, with McAfee & Taft discovered the original contract was in violation of the District's Bylaws which require multiple signatures.

Monthly pay requests were approved for work performed by Matthews Trenching in accordance with the agreement and contract documents for the Del City Waterline Replacement Project, including monthly reimbursements for same through the Oklahoma Drinking Water State Revolving Loan Fund, Project No. P40-00001-02, Loan #ORF-19-0008.

Contract between Alan Plummer and COMCD for services of construction manager to oversee the Del City Pipeline Replacement.

Approval of revised General Manager position description.

Amended Resolution, amending an employee retirement system, defined benefit plan & joinder agreement between COMCD and OMRF.

Tim Carr was named interim supervisor.

The compensation of the District's Administrative Assistant was increased.

Dean Couch was voted unanimously to be the District's Legal Counsel.

Acceptance of FY 18-19 audit by Finley & Cook.

Engagement of Finley & Cook to perform FY 19-20 financial audit.

Agreement between COMCD and OWRB for water quality monitoring April 2020 thru March 2021.

March 5, 2020, Kyle Arthur accepted the offer presented to him to be the new General Manager of COMCD. His start date is March 21, 2020.

Payments due fiscal year 20-21 on the Del City Pipeline Project, will be paid from available cash on hand.

Dennis Yarbrow was hired to replace Richard Coover as the District's inspector on the Del City Pipeline.

Received 2019 water quality monitoring results from OWRB.

Temporary financial relief for the 3 cities. The 4th quarter assessment was reduced to the member cities by 50%.

Bank account at First United, ending in 7024 closed. Monies deposited into BancFirst account ending in 3940. Account ending in 2775 at Bancfirst closed and monies deposited into BancFirst account ending in 3940.

Agreement between COMCD and OWRB for internal nutrient loading in Lake Thunderbird.

FY 20-21 budget was approved.

Kyle Arthur approved to be authorized agent & authorized user for Defined Contribution Retirement Plan.

SDOX was suspended for season due to equipment failure. (5-19-20)

Memorandum of Agreement & Resolution regarding extension of performance period for Agreement #18AG640021 to prepare for partial title transfer between COMCD & Bureau of Reclamation.

The Board voted unanimously to have General Manager and appropriate persons to meet with the three member cities to discuss partial title transfer.

Vice President Mark Edwards term ended June 2020. (Del City)

Appointment of Michael Dean to COMCD Board. (Del City resident)

District Managers' Report
FY 19-20

- Staff attended weekly safety meetings.
- Began repairs to operating gate.
- Continued mowing between rains.
- Reclamation completed installation of strong motion equipment for detecting and measuring seismic activity at the dam.
- Continued to work with three customer cities, OWRB, bond counsel, tax counsel and District counsel to finalize for the Del City pipeline project.
- Hired contract inspector for the Del City pipeline.
- Hosted about 50 students from Tecumseh for tour and presentation of Lake Thunderbird operations.
- Completed employee performance evaluations.
- Cleared about 1 ½ miles of waterline easements with forestry machine.
- Provided tour to new Del City Councilman J.D. Hock.
- Repaired boathouse jetty once lake elevation receded.
- Staff attended weekly safety meetings.
- Awaiting a response from Reclamation to proceed with gate repair.
- Closed on the financing with OWRB for the Del City pipeline.
- Reclamation conducted annual site inspection on the dam.
- Met with Dobson regarding replacing phone system with VOIT.
- Awaiting connection to OEC fiber to change internet service.
- Reworked floating wetland with new/additional material.
- Gate repair, pressure test conducted
- Fire department will have confined entry training here at the District.
- A leak off 59th in Del City is being worked on.
- Water leak in the plant being repaired.
- North shop garage door being repaired by Cliff & Son (new motor & assembly)
- Boat house roof repair needs to be done.
- Getting a quote for air conditioner for pump.
- Versa handler needs a new emergency brake.
- Finish painting at the plant.
- Boar buster credit card info needs updated.
- Need list of valves' so we can order to have spares.
- Continue mowing and clearing.

- Staff has finished the mechanical repairs of the regulating gate at the dam. A compatible protective coating will be selected & applied.
- Hosted a confined space exercise at the Dam's Gate House for City of Norman Fire Department personnel.
- Mowing continues in the easements. We expect one more pass over all easements as the last one for the season.
- The SDOX continues in operation. We expect to shut it down for the season in one to two weeks.
- Ken Komiske, Utilities Director for the City of Norman, organized a Water Reuse Informational session held here at the District's office building. We conducted a plant tour & short wetlands project tour.
- We hosted an Emergency Communication Exercise Session organized by Adam Milligan of BOR. Multiple agencies & City representatives participated.
- Working with property owner, builder and BOR regarding Norman pipeline crossing.
- Met with our accountant, Charles Wadsack, where we received training on the ACH procedures that we currently use for payroll. Our Board's Treasurer, Jann Knotts, received the training separately.
- A faulty voltage regulator & "backboard" were replaced on the relift generator by Central Power Systems & Services.
- Received call from Kiel Warner, Principal Assistant Deputy of the Secretary of the Interior, inquiring on the partial title transfer status. Informed him that the Board is on hold on this issue until the three Cities comment on the issue over a 60-day period & a permanent General Manager is in place to continue the process.
- A leaking air valve at the plant was repaired with on hand spare parts.
- Spoke with staff on the current stock of spare parts. We identified the need for two A/C units for the plant motors. They are on order now. We have an untested spare VFD for the plant; all other needed spares are in stock. We plan to test the spare VFD once pumping demand decreases.
- SDOX level control was found to be inconsistent. Staff found the inner tube & magnetic float were coated in silt. Staff disassembled & cleaned components which resolved the problem.
- The Wetlands project continues. Tim Carr and OU personnel are installing plants on the floating sections now.

- We held a construction meeting & outlined communication directives & settled for construction to begin on Oct. 14. Pipe measurements are being conducted this week with assistance of staff.
- Currently investigating the status of a property at 59th & Air Depot where the easement is being relocated by request of the property owners.
- The City of Norman (Norman) has requested a Post-Use Temporary Water Permit for 657 Acre-Feet of water. The water was delivered between the dates of November 6, 2018 & January 6, 2019. The request was received by President of the Board Roger Frech who signed a request & related OWRB permit application. Norman sent the request along with payment to OWRB who approved the request. An application for the BOR permit will follow in the next few days.
- Paint has been obtained to begin the coating of the pipe-works in the plant's lower level. Painting will begin in the next few days.
- The mowing season has ended & all easements have been mowed. Tractors & mowers are now being maintained in preparation for the next season.
- The SDOX was shut down on October 10th for the season.
- The plants for the Wetlands have been installed on the floating structures. A tour for students & those interested in the project has been scheduled for the 19th of November.
- Engaged with Jones Property Law on questions regarding the status of a relocation contract and Title insurance between COMCD and property owners at 59th & Air Depot. BOR also has some Title insurance requirements that are being addressed.
- A scheduled replacement utility truck, a Ford F450, has been received and is being equipped by a vendor with a utility bed.
- A bulldozer is being secured to continue easement clearing of the last four miles around the lake. The clearing will require between two and three staff members during the process.
- Addressing aged & obsolete telemetry component concerns at the member cities' delivery points and the link between the MWC Standpipe and the Relift Standpipe.
- Finley & Cook, PLLC, our accounting auditor, is actively collecting documentation with collaboration of Kelley Metcalf, Administrative Assistant of the District, for our yearly compliance audit.

- Communication with OEC with the expectation of obtaining a fiber connection to the District in the next few weeks.
- Tim Carr, by action of the Board, was offered a new position as a temporary crew supervisor. The official date to begin his new duties was Oct. 7th. Tim accepted the new position & has been very helpful in reducing my workload. (Neal Engleman)
- Approximately 2.5 miles of easement clearing has been completed from Tecumseh to Franklin Road. This opens the fire lane & fence line in this area. Erosion control will be implemented in the coming weeks. The dozer has been returned.
- A leaking flange was replaced with a custom fabricated one on the MWC pipeline. (S.E. 59th & Westminster)
- New flags were installed on the flagpole.
- Office area parking lot bulbs were inspected & replaced as needed.
- A wetland workshop/field day was held on November 19. Progress reports & tours were provided with the intention of gathering ideas for future work to be done. (repairs, planting, & data recording).
- Tim Carr attended Oklahoma Association of Reclamation Projects yearly meeting held at Arbuckle Master Conservancy District office on November 21st.
- The new service truck is now equipped with a utility bed & decals have been installed.
- Collaboration continues with Alan Plummer Associates in regard to the Del City Pipeline Project.
- Construction meeting for November 26th was cancelled due to inactivity on the Del City Pipeline Project.
- Finley & Cook has collected all necessary documentation for the yearly financial audit.
- Plant check valves are being inspected & refurbished as needed.
- A staff meeting was held to discuss winterization of air valves & weather vulnerable locations along with other maintenance issues that need attention. (tractor maintenance, plant repairs, fence repairs & other “winterization” needs.)
- Mowed field north of 74th street, between Post Road & Douglas Blvd for pipe storage of Del City Pipeline Project.
- Rencon Services performed repairs to wall & roof damage sustained on the boat house from previous storm damage.
- American Fidelity enrollment will be on December 23rd.
- Employee Holiday will be December 6th.

- Two new plant check valves hydraulic cylinders have been purchased as a replacement & spare unit for the plant. Tim Carr is looking at possible refurbishment options.
- Equipment & facilities winterization was completed this reporting period.
- Our 2003 dump truck was delivered to Reynolds Ford for repairs due to rodent damage to wiring harnesses. Repairs were completed.
- Staff has obtained electronic rodent deterrent devices which are being installed on the least used equipment to mitigate the above-mentioned problem.
- Our John Deere 6130 tractor was delivered to P&K Equipment for maintenance in preparation for next season.
- Staff Re-Enrolled with American Fidelity Supplemental Plans.
- Dobson Technologies & OEC were invited to present their offerings IP phone systems. A proven fiber connection will be in place before we consider a IP based phone system.
- Tim Carr & staff continue work with Alan Swartz with assistance of the Del City Pipeline Project.
- Two wild boars have been trapped this period bringing the total trapped boar count to 127 since 2017. The trap will be moved in the next weeks to a new location.
- Routine maintenance was performed on the Wetland Project. Tim Carr is scheduled to meet with Dr. Jason Vogel tomorrow to discuss next steps.
- Tree trimming was completed at the main compound.
- The bone yard is in the process of being cleaned & organized.
- Erosion controls are being implemented where recent clearing was completed.
- While researching past Temporary Water Permits, Kelley Metcalf, Administrative Assistant, found two permits that had not been fully processed. Norman was never billed for one of those & neither permit was paid to Reclamation. Norman has now been invoiced & Reclamation has been paid.
- The City of Oklahoma City has given its approval on continuation of the Del City Pipeline Project. Matthews Trenching is now mobilizing to start again.
- A pipeline crossing permit was requested for a crossing over the Norman pipeline. BOR is providing the permit form & specifications for a concrete pad at that location.

- Staff has begun the clearing of a fire land near 144th SE between Indian Hills & Franklin on the East side of the lake.
- NUCO's yearly licensing has been renewed for three staff members. This allows trapping of wild boars and beavers.
- Erosion control has been implemented through seeding where clearing took place last month.
- Jeff Tompkins, from BOR, spoke with Tim Carr about several fence areas that were needing repairs. Staff has completed these repairs.
- Received the John Deere tractors from P&K for repairs done to the steering pump & metering valve (they were taken in for major repairs to P&K Equipment.)
- Norman pumps were returned to Auto on January 8th by the request of Norman. Their plant had been offline due to unexpected plant failures.
- A meeting was held here at the District regarding the direction of the Wetlands Project over the next few months. Tim Carr hosted the meeting. Attendees included Dr. Steve Patterson from BioXDesign, Dr. Jason Vogel from OU & OU Grad Students.
- The usual Wetlands maintenance & data collection continue.
- OHP worked with Tim Carr on a demonstration of their new Air Boats. The exercise demonstrated Air Boat capabilities to OHP Administration personnel.
- Tim Carr worked on obtaining quotes for Capital Budget items for next Fiscal Year.
- The new mobile radio system was tested for reception at multiple locations within operational areas of the District. The testing showed minimal dead communication areas. The new repeater budget item was removed from next fiscal year.
- Dam gates were opened on January 21st to 0.25' & increased to 0.75' on January 29th.
- Tim Carr provided a tour to Leslie Smith, from ODEQ, covering the Del City Pipeline Project.
- Installed a small boar trap in the Compound's Fire lane.
- Clearing & widening of the fence easement has continued the east side of the lake throughout the month. Equipment breakdown & weather has limited this item for the month.
- The Del City pipeline project continues. The third payout was processed & hand delivered this month. Working on setting up the electronic payments to Matthews Trenching. A tour of the project was provided to Leslie Smith of ODEQ this month.

- A rebuilt check valve has been re-installed on Pump 4 at the plant. The pump is back in service now.
- A second check valve, for Pump 5, is being rebuilt & expected to be available towards the end of the month.
- We are working with Alan Swartz to find alternatives to these particular check valves.
- Five feral hogs were trapped here at the compound this month.
- Additional plants & materials have been purchased & installed at the Aquatic Research Facility at OU as part of the wetlands project.
- Work on the Wetlands Project at the lake continues smoothly this month.
- Staff attended Dam Tender Training at the OKC BOR office this month.
- Tim Carr attended a meeting held by ODOT regarding the planned widening of Highway 9. Construction is planned to begin in 2025.
- OEC has installed a fiber data link which should provide improved reliability on our internet & possible future phone service.
- Tim Carr held a staff & safety meeting on February 21st where current projects were talked about.
- Kyle Arthur is settling into the new position of GM.
- Meet & Greet with staff the first week.
- Tour of facilities.
- Lots of conference calls with contractors, partner, and collaborators.
 - Alan Swartz to get up-to-speed on the Del City Pipeline Project
 - OWRB to meet & greet & discuss items of mutual interest (WQ monitoring, SDOX and new proposals for bathymetric mapping & internal nutrient loading)
 - Call with BlueInGreen company (designers/installers of the SDOX system) to discuss site visit scheduled for mid-May
 - Visited with our investment advisor, Robert Lockard, with BancFirst regarding Reserve Fund.
 - Connie Guinn with OWRB to discuss newest DWSRF loan.
 - Charles Wadsack for walk-through of budget.
 - James Allard with BOR to discuss several items, including an update on title transfer discussion & extension of MOA (on this month's Board Agenda).

- Del City Pipeline Project
 - Project proceeding well
 - Met new inspector at PL#2
 - Made two field visits to project location
- Reviewed & Co-signed Special Use Permit, drafted & issued by BOR, for OEC to bury lines on & around equestrian trail near Clear Bay Area
- Two incidents
 - a. No injuries or lost time
 - b. Bobcat fire- total loss
 - c. Ford F-450 truck got stuck & damaged resulted from pulling free from mud
 - d. Insurance claims filed on both
- Re-institution of monthly safety meetings
 - a. Topic this month: tornado safety, radio use, and COVID-19 precautions and procedures
- Pre- and post-construction meetings for a driveway being poured across Norman line near 84th & Robinson held. Driveway completed correctly.
- Consulted with City of Norman on temporary water use permit expiration. They indicated they did not wish to seek another permit
- Finalized budget for consideration at the May Board meeting. Conveyed preliminary assessments to each city representative.
- Floating wetlands path forward discussion
 - a. Options for with/without OU students help due to COVID related research suspension
 - b. Plants currently being grown and cared for by students in the OU Greenhouse
 - c. Desire to construct and collect one last round of data before the end of the year
 - d. Discussing possible (probable) extension of BOR grant to allow for reimbursable expense through the end of 2020.

- SDOX path forward discussion
 - a. Year 10 of operation. Gas delivered and unit started on May 1.
 - b. How do we determine end point for pilot evaluation and determination of efficacy?
 - i. Answer from two perspectives: operationally and WQ monitoring
 - ii. To the former, BlueInGreen will be doing a site visit during mid-May to evaluate operation (OWRB to attend as well)
 - iii. OWRB's monitoring the past year and next has been expanded to monitor for more specific parameters that would help evaluate efficacy. Will also plan to do the same in this year's monitoring
- Installation of new server to increase storage space
- One of the four anchors for the boat house broke and has been repaired.
- Met with BOR staff (Jeff Tompkins) to discuss fencing needs around several areas, most notably the new bridge on HWY over Little River and the former county staging yard along HWY 9.
- Reviewed the Monthly Trend Report and have discussed some modifications with Dennis Engleman, District employee.
- Started an office recycling program.
- Currently evaluating the website and will have some recommendations for future formatting and content.
- Evaluating new phone system for the District.
- Partial Title Transfer
 - Meeting with BOR for orientation to process and status
 - Visited with Casey Hurt, COMCD board member, to better understand past accomplishments and thoughts on path forward.
 - Received information for a scope of work and RFP
 - Met with member City's attorney, along with COMCD counsel, to discuss partial title transfer: intent, history, current status and helping inform any questions they would like answered
 - Visited with Steven Jolly from Arbuckle MCD as well

➤ SDOX

- BlueInGreen and the OWRB make a site visit to the unit on May 18th
- After assessing some of the physical and operational conditions, steps were implemented to increase effectiveness
- Monday evening, received call about discharge line surfacing
- Unit shut-off and is currently non-operational
- Further discussions amongst the staff and team led to the conclusion that the current unit is incapable of achieving originally designed and desired performance
- Exploring possible third-party contractors to evaluate current system as well as new technologies that have become available since this unit was installed
- Buoys installed near the shore where some of the discharge line is exposed
- Security camera pointed toward the area to monitor remotely

➤ Floating Wetlands

- Approval received for OU graduate student to work on project; he began on Thursday, May 28th.
- All wetland units have been pulled from the water and are now on the shore
- Power washing, reconstructions and modification and plantings will occur over the next two weeks.
- Goal is to have them back in the water by June 15th

➤ Bobcat

- Weather/rain has delayed removal efforts. However, plan is to pull to high spot and have salvager pull from there. Plan is to have that done by June 8th.

➤ Met with the City of Norman

- Discussed: indirect potable reuse pilot project, temporary water supply, partial title transfer

➤ Check valve #3 on one of Norman's lines was malfunctioning and has been repaired

➤ Materials have been procured for the fencing project along HWY 9 mentioned previously; BOR will be providing funds to cover most of the material

➤ Drafted website modification outline and discussed with web designer

- Draft outline is in packet

- Visited with Rob Lockard of LPL Financial Services (previously BancFirst)
 - Switching over our investment account to LPL and updating authorized individuals
 - Discussed utilizing annual earnings to fund operational account. He said that could be done.
- OHP will be adding a third boat to the boathouse. They were paying for three slips already. They will pay for the lift.
- Larger dumpster procured. More space and critter-proof.
- Plan to install guttering on front of office building to mitigate erosion and help avoid any foundational issues.
- Received bathymetric and sediment survey from BOR
 - They are double-checking the vertical control used in the report to ensure the results are accurate. Hope to have this done with a couple of months.
 - Requested that BOR present this, including integration into an updated yield model, to both the Board and to the cities.
- Interview with Travis Boone on Friday, June 8th to possibly replace Dennis Yarbrow in mid-July
- Working on upfitting the Board Room for virtual meetings.
 - Like will require new dedicated laptop and camera mounted above television

Central Oklahoma Master Conservancy District

Financial Statements

June 30, 2019 and 2018
(With Independent Auditors' Report Thereon)



CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Central Oklahoma Master Conservancy District

Report on the Financial Statements

We have audited the accompanying financial statements of the Central Oklahoma Master Conservancy District (the "District"), which comprise the statements of net position as of June 30, 2019 and 2018, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

INDEPENDENT AUDITORS' REPORT, CONTINUED

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2019 and 2018, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages I-1 through I-4 and the required supplementary information on pages 28 through 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Finley & Cook, PLLC

Shawnee, Oklahoma
December 6, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Central Oklahoma Master Conservancy District's (the "District") annual financial report presents a discussion and analysis of its financial performance for the years ended June 30, 2019 and 2018. Please read it in conjunction with the financial statements which follow this section. The following tables summarize the net position and changes in net position of the District for 2019 and 2018.

Statements of Net Position

	June 30,	
	<u>2019</u>	<u>2018</u>
Assets:		
Current assets	\$ 2,789,801	2,004,481
Capital assets, net	9,048,555	9,239,789
Net pension asset	296,618	75,789
Other noncurrent assets	<u>4,269,128</u>	<u>4,117,457</u>
Total assets	<u>16,404,102</u>	<u>15,437,516</u>
Deferred outflows of resources related to the pension plan	<u>79,548</u>	<u>204,017</u>
Liabilities:		
Current liabilities	330,257	287,300
Long-term debt, less current maturities	<u>615,230</u>	<u>709,656</u>
Total liabilities	<u>945,487</u>	<u>996,956</u>
Deferred inflows of resources related to the pension plan	<u>142,058</u>	<u>128,978</u>
Net position:		
Invested in capital assets, net	8,338,899	8,435,772
Restricted	50,000	50,000
Unrestricted	<u>7,007,206</u>	<u>6,029,827</u>
Total net position	<u>\$ 15,396,105</u>	<u>14,515,599</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended June 30,	
	<u>2019</u>	<u>2018</u>
Operating revenues:		
Operations and maintenance	\$ 2,011,380	2,106,130
Electric power	<u>456,759</u>	<u>575,308</u>
Total operating revenues	<u>2,468,139</u>	<u>2,681,438</u>
Operating expenses:		
Pumping power	456,759	575,847
Salaries and benefits	473,160	512,534
Other operating expenses	<u>891,908</u>	<u>838,099</u>
Total operating expenses	<u>1,821,827</u>	<u>1,926,480</u>
Operating income	<u>646,312</u>	<u>754,958</u>
Non-operating revenue (expense)	<u>234,194</u>	<u>(150,595)</u>
Changes in net position	880,506	604,363
Net position, beginning of year	<u>14,515,599</u>	<u>13,911,236</u>
Net position, end of year	<u>\$ 15,396,105</u>	<u>14,515,599</u>

Overview of the Financial Statements

The three financial statements are as follows:

- **Statement of Net Position**—This statement presents information reflecting the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position represents the amount of total assets, deferred outflows of resources, less total deferred inflows of resources, and liabilities. The statement of net position is categorized as to current and noncurrent assets and liabilities. For purposes of the financial statements, current assets and liabilities are those assets and liabilities with immediate liquidity or which are collectible or becoming due within 12 months of the statement date.
- **Statement of Revenues, Expenses, and Changes in Net Position**—This statement reflects the operating revenues and expenses, as well as non-operating revenues and expenses, during the fiscal year. Major sources of operating revenues are operations and maintenance, and electric power revenue; and major sources of operating expenses are salaries and benefits, and pumping power expense. Major sources of non-operating income are from investment and interest income. The change in net position for an enterprise fund is the equivalent of net profit or loss for any other business enterprise.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

Overview of the Financial Statements, Continued

- Statement of Cash Flows—The statement of cash flows is presented using the direct method of reporting which reflects cash flows from operating, capital and related financing, and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash and cash equivalents for the fiscal year.

Financial Highlights

- The decrease in total operating revenues of approximately \$213,000 in 2019 compared to the prior year was due to decreased operations and maintenance revenues and electric power revenue. The increase in total operating revenues of approximately \$516,000 in 2018 compared to the prior year was primarily due to increased operations and maintenance revenue.
- The decrease in total operating expenses of approximately \$105,000 in 2019 compared to the prior year was due primarily to a decrease in pumping power. The increase in total operating expenses of approximately \$11,000 in 2018 compared to the prior year was due primarily to an increase in pumping power of approximately \$82,000, offset by a decrease in other operating expenses of approximately \$79,000.
- Total non-operating revenues increased approximately \$385,000 in 2019 compared to the prior year, mainly resulting from an increase in investment and interest income of approximately \$267,000, an increase in grant revenues of approximately \$39,000, a gain on sale of fixed assets of approximately \$34,000, and an increase in other revenues of approximately \$84,000, offset by an increase in shoreline stabilization expense of approximately \$122,000 and a decrease of water reuse study expense of approximately \$83,000. Total non-operating expenses decreased approximately \$133,000 in 2018 compared to the prior year, mainly resulting from a decrease in the water reuse study expenses of approximately \$337,000, offset by an increase in other non-operating expenses of \$179,000.
- During 2019, the District's net pension asset was approximately \$297,000, deferred outflows of resources approximated \$80,000, and deferred inflows of resources approximated \$142,000. During 2018, the District's net pension asset was approximately \$76,000, deferred outflows of resources approximated \$204,000, and deferred inflows of resources approximated \$129,000.

MANAGEMENT’S DISCUSSION AND ANALYSIS, CONTINUED

Capital Assets

As of June 30, 2019, the District had invested approximately \$18,014,000 in capital assets, including dam and reservoir, land improvements, construction in progress, pipelines, pumping plant, buildings and structures, vehicles, and equipment. Net of accumulated depreciation, the District’s net capital assets at June 30, 2019, approximated \$9,049,000. As of June 30, 2018, the District had invested approximately \$17,894,000 in capital assets, including dam and reservoir, land improvements, construction in progress, pipelines, pumping plant, buildings and structures, vehicles, equipment, and construction in progress. Net of accumulated depreciation, the District’s net capital assets at June 30, 2018, approximated \$9,240,000. Additional details concerning the District’s capital assets can be found in the financial statements (see Note 3).

The District’s infrastructure assets, which are reported using the modified approach for depreciation, consisted of dam and reservoir related assets. The infrastructure assets are typically required to have annual condition assessments performed by the U.S. Department of the Interior’s Bureau of Reclamation. The condition assessment assigned to the assets was 99 and 92 in the last two issued assessment reports, respectively. A rating of 80 or greater is considered to be a “Good” rating. The District’s objective is to maintain a “Good” condition assessment rating.

Debt Administration

As of June 30, 2019 and 2018, the District had a note payable of approximately \$710,000 and \$804,000, respectively, with the Oklahoma Water Resources Board.

Additional details concerning the District’s long-term debt can be found in the financial statements (see Note 4).

Contacting the District’s Management

This financial report is designed to provide patrons and interested parties with a general overview of the District’s finances and to demonstrate the District’s accountability for its finances. If you have questions about this report or need additional financial information, contact:

Neal Engleman, Interim Executive Director
Central Oklahoma Master Conservancy District
12500 Alameda Drive
Norman, OK 73026
Telephone: 405-329-5228

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

STATEMENTS OF NET POSITION

<i>June 30,</i>	<i>2019</i>	<i>2018</i>
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,098,219	1,231,166
Assessments receivable—the Cities—Energy Project, current portion	64,570	70,295
Accounts receivable	605,919	684,875
Accrued interest receivable	21,093	18,145
Total current assets	<u>2,789,801</u>	<u>2,004,481</u>
Noncurrent assets:		
Assessments receivable—the Cities—Energy Project	615,230	709,656
Investments	3,607,898	3,407,801
Debt issuance costs	46,000	-
Net pension asset	296,618	75,789
Capital assets, net	<u>9,048,555</u>	<u>9,239,789</u>
Total noncurrent assets	<u>13,614,301</u>	<u>13,433,035</u>
Total assets	<u>16,404,102</u>	<u>15,437,516</u>
Deferred outflows of resources:		
Deferred amounts related to the pension plan	<u>79,548</u>	<u>204,017</u>

(Continued)

See Independent Auditors' Report.
See accompanying notes to financial statements.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

STATEMENTS OF NET POSITION, CONTINUED

<i>June 30,</i>	<i>2019</i>	<i>2018</i>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	216,666	173,668
Compensated absences payable	18,130	18,098
Accrued interest payable	1,035	1,173
Long-term debt, current portion	94,426	94,361
Total current liabilities	<u>330,257</u>	<u>287,300</u>
Noncurrent liabilities:		
Long-term debt, less current maturities	<u>615,230</u>	<u>709,656</u>
Total liabilities	<u>945,487</u>	<u>996,956</u>
Deferred inflows of resources:		
Deferred amounts related to the pension plan	<u>142,058</u>	<u>128,978</u>
Net position:		
Invested in capital assets, net	8,338,899	8,435,772
Restricted	50,000	50,000
Unrestricted	<u>7,007,206</u>	<u>6,029,827</u>
Total net position	<u>\$ 15,396,105</u>	<u>14,515,599</u>

See Independent Auditors' Report.
See accompanying notes to financial statements.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

<i>Years Ended June 30,</i>	<i>2019</i>	<i>2018</i>
Operating revenues:		
Operations and maintenance	\$ 2,011,380	2,106,130
Electric power	456,759	575,308
Total operating revenues	<u>2,468,139</u>	<u>2,681,438</u>
Operating expenses:		
Salaries and benefits	473,160	512,534
Maintenance	174,960	185,343
Utilities	31,017	29,861
Insurance and bond	62,894	61,774
Administrative supplies	21,934	15,098
Professional services	63,656	43,982
Pumping power	456,759	575,847
Water monitoring	144,974	116,074
Depreciation	392,473	385,967
Total operating expenses	<u>1,821,827</u>	<u>1,926,480</u>
Operating income	<u>646,312</u>	<u>754,958</u>
Non-operating revenues and (expenses):		
Grant revenue	39,466	-
Investment and interest income	286,513	19,696
Gain on sale of fixed assets	33,831	-
Interest expense	(3,764)	(4,090)
Shoreline stabilization expense	(121,989)	-
Water reuse study expense	-	(82,605)
Other, net	137	(83,596)
Total non-operating revenues (expenses)	<u>234,194</u>	<u>(150,595)</u>
Changes in net position	880,506	604,363
Net position, beginning of year	<u>14,515,599</u>	<u>13,911,236</u>
Net position, end of year	<u><u>\$ 15,396,105</u></u>	<u><u>14,515,599</u></u>

See Independent Auditors' Report.
See accompanying notes to financial statements.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

STATEMENTS OF CASH FLOWS

Increase (Decrease) in Cash and Cash Equivalents

<i>Years Ended June 30,</i>	<i>2019</i>	<i>2018</i>
Cash flows from operating activities:		
Cash received from assessments to the Cities	\$ 2,547,095	2,550,927
Cash payments for goods and services	(913,194)	(1,065,740)
Cash payments for salaries and benefits	(556,408)	(640,958)
Net cash provided by operating activities	<u>1,077,493</u>	<u>844,229</u>
Cash flows from capital, noncapital, and related financing activities:		
Acquisition and development of capital assets	(201,241)	(534,652)
Proceeds from sale of capital assets	33,831	-
Repayment of debt obligations	(94,361)	(94,349)
Interest paid	(3,902)	(4,373)
Shoreline stabilization	(121,989)	-
Water reuse study	-	(82,605)
Other, net	(6,397)	(83,596)
Net cash used in capital, noncapital, and related financing activities	<u>(394,059)</u>	<u>(799,575)</u>
Cash flows from investing activities:		
Principal received on assessments receivable	100,151	88,559
Investment and interest income received	153,352	125,164
Purchase of investments	(569,884)	(134,154)
Redemption of investments	500,000	-
Net cash provided by investing activities	<u>183,619</u>	<u>79,569</u>
Net increase in cash and cash equivalents	867,053	124,223
Cash and cash equivalents at beginning of year	<u>1,231,166</u>	<u>1,106,943</u>
Cash and cash equivalents at end of year	<u><u>\$ 2,098,219</u></u>	<u><u>1,231,166</u></u>

(Continued)

See Independent Auditors' Report.
See accompanying notes to financial statements.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

STATEMENTS OF CASH FLOWS, CONTINUED

Increase (Decrease) in Cash and Cash Equivalents

<i>Years Ended June 30,</i>	<i>2019</i>	<i>2018</i>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 646,312	754,958
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	392,473	385,967
Changes in deferred amounts related to pensions	137,551	20,895
Change in operating assets and liabilities:		
Accounts receivable	78,956	(130,511)
Net pension asset	(220,829)	(75,789)
Accounts payable	42,998	(37,761)
Compensated absences payable	32	(4,570)
Net pension liability	<u>-</u>	<u>(68,960)</u>
Net cash provided by operating activities	<u>\$ 1,077,493</u>	<u>844,229</u>

See Independent Auditors' Report.
See accompanying notes to financial statements.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations

The Central Oklahoma Master Conservancy District (the “District”) is a governmental organization established pursuant to Oklahoma Statute by order of the Cleveland County District Court entered on September 30, 1959. Its primary purpose is to distribute raw water from Lake Thunderbird to the Cities of Del City, Midwest City, and Norman (collectively, the “Cities”) for municipal, domestic, and industrial use. The District manages and operates the dam, facilities, land, and rights of way under an agreement with the United States. The District also provides flood control, fish and wildlife benefits, and recreational opportunities. The District was obligated to repay the United States for a portion of the construction cost (considered to be cost related to municipal and industrial water supply), with interest, for which it assessed the member cities annually based on a stated formula. The members of the District’s Board of Directors are nominated by the Cities and appointed by the Cleveland County District Court.

Reporting Entity

The financial statements presented herein include only the operations of the District and do not include the assets, liabilities, or results of operations of the Cities serviced.

Basis of Accounting

The District prepares its financial statements on the enterprise fund basis using the economic measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the obligation is incurred.

Financial Statement Presentations

The District follows the provisions of the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments* (GASB 34), in preparing its financial statements.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the District considers all highly liquid investments with an original maturity of 3 months or less to be cash and cash equivalents.

See Independent Auditors’ Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments

The District's investments are recorded at fair value.

Accounting principles generally accepted in the United States establish a fair value hierarchy for determination and measurement of fair value. The hierarchy is based on the type of valuation inputs needed to measure the fair value of an asset. The hierarchy is generally as follows:

Level 1—unadjusted quoted prices in active market, for identical assets.

Level 2—quoted prices for similar assets or inputs that are observable or other forms of market corroborated inputs.

Level 3—pricing based on best available information including primarily unobservable inputs and assumptions market participants would use in pricing the asset.

In addition to the above three levels, if an investment does not have a readily determined fair value, the investment can be measured using net asset value (NAV) per share (or its equivalent). Investments valued at NAV are categorized as NAV and not listed as Level 1, 2, or 3.

Capital Assets

Capital assets are stated at cost and depreciated on the date they are placed into service. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are 20–25 years for buildings and structures, pumping plant, and pipelines; 7 years for vehicles and office equipment; and 20 years for the Energy Project equipment (a \$2,400,000 energy savings construction project) and fencing and equipment.

The District considers the dam and reservoir related assets to be infrastructure assets, which are reported using the modified approach for depreciation. Under the modified approach, infrastructure assets are not required to be depreciated as long as certain requirements, as defined by GASB 34, are met. All expenditures made for infrastructure assets, using the modified approach, are expensed in the period incurred, except for expenditures considered to be for additions or improvements.

Intangible Assets

The District believes its only intangible assets consist of certain rights of way, all of which were received prior to July 2009. Since the District is considered to be a Phase 3 government under GASB 34, the District is not required to retroactively apply GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. Therefore, the District has not accounted for and reported its right-of-way intangible assets.

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Compensated Absences

The District's employees can accrue a maximum of 360 hours of vacation pay. Upon termination, accrued, unpaid hours will be paid at the employee's hourly rate then in effect. Sick leave can be accrued at a rate of 12 days per year (8 hours for every full month of service), but is not paid upon termination.

Income Taxes

Because the District is a governmental institution pursuant to Title 82, Chapter 5 of the Oklahoma Statutes, as amended, the District is exempt from federal and state income taxes.

Concentrations

The District is located in Norman, Oklahoma, and serves the Cities and, therefore, is reliant on the Cities' ability to meet their obligations.

Contingencies

The District carries appropriate insurance with regard to comprehensive general liability, comprehensive automobile liability, personal injury, general property, and workers' compensation insurance.

Equity Classifications

Equity is classified as net position and displayed in three components:

Invested in Capital Assets, Net—Consists of capital assets, net of accumulated depreciation, less the balance of debt incurred to finance the acquisition, construction, or improvement of the related capital assets.

Restricted—Consists of net position with constraints placed on the use either by i) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or ii) law through constitutional provisions or enabling legislation.

Unrestricted—Consists of all other net position that do not meet the definition of "Invested in Capital Assets, Net" or "Restricted."

Revenues

The District considers all assessments charged to the Cities to fund its normal operations as operating revenues. Assessments to the Cities to fund capital or special projects, and grants or other contracts received from federal and state agencies, are considered to be non-operating income.

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Federal Grant Revenues and Expenditures

The District's federal grant revenues are primarily expenditure driven, in that prior to requesting grant monies, expenditures are incurred.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Defined Benefit Pension Plan

For the purposes of measuring the net pension (asset) liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employee Retirement System of Central Oklahoma Master Conservancy District (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Oklahoma Municipal Retirement Fund (OkMRF). For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value based on published market prices. Detailed information about the OkMRF plan's fiduciary net position is available in the separately issued OkMRF financial report.

Recent Accounting Pronouncements

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations* (GASB 83). GASB 83 provides accounting and reporting requirements for certain asset retirement obligations (ARO) that arise from legally enforceable liabilities associated with the retirement of certain tangible capital assets. ARO's require an internal and external obligating event and the costs to be reasonably estimable for the incurrence of such a liability. The District adopted this statement on July 1, 2018. The District has determined that it did not have any ARO as of June 30, 2019 or 2018, therefore, the adoption of this statement did not have a significant impact on the financial statements.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities* (GASB 84). GASB 84 improves guidance regarding the recognition and reporting of fiduciary activities. GASB 84 identifies four types of reportable fiduciary fund types, including 1) pension (and other employee benefit) trust funds, 2) investment trust funds, 3) private-purpose trust funds, and 4) custodial funds. GASB 84 outlines the accounting and disclosure requirements for operating structures that qualify as a fiduciary activity. The District will adopt GASB 84 effective July 1, 2019, for the June 30, 2020, reporting year. The District does not expect GASB 84 to have a significant impact on the financial statements.

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Recent Accounting Pronouncements, Continued

In June 2017, GASB issued Statement No. 87, *Leases* (GASB 87). GASB 87 defines a lease as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. GASB 87 improves accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The District does not expect GASB 87 to have a significant impact on the financial statements.

In March 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* (GASB 88). GASB 88 provides certain clarifications regarding debt as a liability and identifies additional required disclosures related to debt, including direct borrowings and direct placements of debt. The District adopted GASB 88 on July 1, 2018. The adoption had no significant impact on the financial statements.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (GASB 89). GASB 89 directs that interest costs incurred during the construction period of an asset be expensed in the period incurred. GASB 89 changes previous guidance regarding capitalized construction costs where such costs were typically included in the capitalized cost of the asset constructed and depreciated over time. The District will adopt GASB 89 on July 1, 2020. The District does not expect GASB 89 to significantly impact the financial statements.

Date of Management's Review of Subsequent Events

Management has evaluated subsequent events through December 6, 2019, the date which the financial statements were available to be issued.

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) CASH AND CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk—Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's deposit policy for custodial credit risk is described as follows:

The District requires that balances on deposit with financial institutions be insured by the FDIC or collateralized by securities held by the cognizant Federal Reserve Bank, or be invested in U.S. government obligations in the District's name.

Custodial Credit Risk—Investments

As of June 30, 2019, the District held cash deposits of approximately \$1,815,000 in a money market account that is/is not insured by the FDIC. As of June 30, 2018, the District held cash deposits of approximately \$1,006,000 in a money market account that is not insured by the FDIC. This investment is not considered to be a custodial credit risk since the money market is invested in U.S. Treasury securities and U.S. government agency securities. The money market account had an S&P rating of AAA at both June 30, 2019 and 2018, and an average maturity of the underlying investments of 39 and 45 days, respectively, as of June 30, 2019 and 2018. At June 30, 2019, the District did not have any money in money market accounts that were not fully insured by the FDIC or collateralized. At June 30, 2018, the District had approximately \$71,000 in two money market accounts which were not insured by the FDIC or collateralized. The money market accounts are included in cash and cash equivalents on the statements of net position. The underlying investments of the money market accounts include short-term, high quality, fixed-income securities issued by banks, corporations, and the U.S. government or its agencies

Investments are made under the custody of the General Manager, as approved by the District's Board of Directors, in accordance with the District's investment policy.

The investment policy permits investments in U.S. Treasury bills, notes, and bonds and obligations fully insured or unconditionally guaranteed by the U.S. government or any of its agencies or instrumentalities; U.S. government agency securities; corporate debt and mortgage-backed pass-through securities with ratings of Aaa, AAA, or the equivalent; collateralized or insured certificates of deposit; bankers' acceptances; commercial paper with a rating of at least A-1 or the equivalent; obligations of state and local governments; money market and short-term bond funds with a rating of AAA or equivalent; and obligations of a foreign government with a rating of A-1 or the equivalent.

Custodial credit risk is the risk that, in the event of the failure of a counterparty, the District will not be able to recover the value of its investments. Investment securities are exposed to custodial risk if they are uninsured, are not registered in the name of the District, or are held by a counterparty or the counterparty's trust department but not in the name of the District. At June 30, 2019 and 2018, the investment balances of approximately \$3,608,000 and \$3,408,000, respectively, were uncollateralized.

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) CASH AND CASH EQUIVALENTS AND INVESTMENTS, CONTINUED

Interest Rate Risk and Credit Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest changes. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Fixed-income securities are subject to credit risk. The District places no limit on the amount the District may invest in any one issuer. Credit quality rating is one method of assessing the ability of the issuer to meet its obligation. The following tables provide information concerning interest rate risk and credit risk.

At June 30, the District had the following investments and maturities:

	<u>Investment Maturities (in Years)</u>				
		1 or More,			
<u>Investment Type</u>	<u>Less Than 1</u>	<u>Less Than 5</u>	<u>5 or More</u>		<u>Fair Value</u>
<u>2019</u>					
Corporate bonds—domestic	\$ -	1,272,463	1,967,064		3,239,527
Corporate bonds—foreign	-	218,371	-		218,371
Mortgage-backed securities	-	150,000	-		150,000
	<u>\$ -</u>	<u>1,640,834</u>	<u>1,967,064</u>		<u>3,607,898</u>
<u>2018</u>					
Corporate bonds—domestic	\$ 507,500	1,093,406	1,446,142		3,047,048
Corporate bonds—foreign	-	218,369	-		218,369
Mortgage-backed securities	-	-	142,384		142,384
	<u>\$ 507,500</u>	<u>1,311,775</u>	<u>1,588,526</u>		<u>3,407,801</u>

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) CASH AND CASH EQUIVALENTS AND INVESTMENTS, CONTINUED

Interest Rate Risk and Credit Risk, Continued

The following table provides information concerning credit risk at June 30, 2019:

<u>S&P 500 Rating</u>	<u>Fair Value</u>	Percentage of Total Fixed Income Investments at <u>Fair Value</u>
AAA	\$ 253,609	7%
AA+	150,000	4%
AA	139,224	4%
A+	251,693	7%
A	175,521	5%
A-	539,350	15%
BBB+	1,063,908	29%
BBB	816,222	23%
BB	<u>218,371</u>	<u>6%</u>
	<u>\$ 3,607,898</u>	<u>100%</u>

The following table provides information concerning credit risk at June 30, 2018:

<u>S&P 500 Rating</u>	<u>Fair Value</u>	Percentage of Total Fixed Income Investments at <u>Fair Value</u>
AAA	\$ 232,648	7%
AA+	142,385	4%
AA	132,280	4%
A	540,329	16%
A-	410,752	12%
BBB+	651,252	19%
BBB	885,490	26%
BBB-	194,296	6%
BB+	<u>218,369</u>	<u>6%</u>
	<u>\$ 3,407,801</u>	<u>100%</u>

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) **CASH AND CASH EQUIVALENTS AND INVESTMENTS, CONTINUED**

Investments Measured at Fair Value

Fair values of investments by hierarchy level are presented below:

	Amounts Measured at <u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (<u>Level 1</u>)	Significant Other Observable Inputs (<u>Level 2</u>)	Significant Unobservable Inputs (<u>Level 3</u>)
<u>Investments by Fair Value Level</u>				
<u>June 30, 2019</u>				
Corporate bonds—domestic	\$ 3,239,527	-	3,239,527	-
Corporate bonds—foreign	218,371	-	218,371	-
Mortgage-backed securities	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>-</u>
	<u>\$ 3,607,898</u>	<u>-</u>	<u>3,607,898</u>	<u>-</u>
<u>June 30, 2018</u>				
Corporate bonds—domestic	\$ 3,047,048	-	3,047,048	-
Corporate bonds—foreign	218,369	-	218,369	-
Mortgage-backed securities	<u>142,384</u>	<u>-</u>	<u>142,384</u>	<u>-</u>
	<u>\$ 3,407,801</u>	<u>-</u>	<u>3,407,801</u>	<u>-</u>

The District holds a diversified mix of debt instruments through an investment manager. Generally, the District holds a mix of domestic and foreign corporate bonds and mortgage-backed securities. The District's debt securities are classified in Level 2 of the fair value hierarchy, valued using a matrix pricing technique determined by a third party. This method values securities based on their relationship to benchmark quoted prices.

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(3) CAPITAL ASSETS

Following are the changes in capital assets for the years ended June 30:

	Balance at <u>June 30, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	Balance at <u>June 30, 2019</u>
Capital assets not being depreciated:					
Dam and reservoir	\$ 4,605,177	-	-	-	4,605,177
Land improvements	38,375	-	-	-	38,375
Construction in progress:					
Del City pipeline replacement	<u>401,701</u>	<u>97,240</u>	<u>-</u>	<u>-</u>	<u>498,941</u>
Total capital assets not being depreciated	<u>5,045,253</u>	<u>97,240</u>	<u>-</u>	<u>-</u>	<u>5,142,493</u>
Other capital assets:					
Vehicles	670,546	74,224	(64,957)	-	679,813
Pipelines	4,269,079	-	-	-	4,269,079
Pumping plant	1,593,952	-	-	-	1,593,952
Office equipment	89,192	2,828	-	-	92,020
Buildings and structures	1,222,254	-	-	-	1,222,254
Energy Project equipment	2,536,613	-	-	-	2,536,613
Fencing and equipment	<u>2,467,347</u>	<u>26,948</u>	<u>(16,279)</u>	<u>-</u>	<u>2,478,016</u>
Total other capital assets	<u>12,848,983</u>	<u>104,000</u>	<u>(81,236)</u>	<u>-</u>	<u>12,871,747</u>
Accumulated depreciation:					
Vehicles	(470,698)	(54,891)	64,957	-	(460,632)
Pipelines	(3,596,221)	(42,727)	-	-	(3,638,948)
Pumping plant	(1,564,508)	(2,356)	-	-	(1,566,864)
Office equipment	(87,716)	(1,108)	-	-	(88,824)
Buildings and structures	(469,463)	(46,335)	-	-	(515,798)
Energy Project equipment	(1,141,478)	(126,831)	-	-	(1,268,309)
Fencing and equipment	<u>(1,324,363)</u>	<u>(118,226)</u>	<u>16,279</u>	<u>-</u>	<u>(1,426,310)</u>
Total accumulated depreciation	<u>(8,654,447)</u>	<u>(392,474)</u>	<u>81,236</u>	<u>-</u>	<u>(8,965,685)</u>
Capital assets, net	<u>\$ 9,239,789</u>	<u>(191,234)</u>	<u>-</u>	<u>-</u>	<u>9,048,555</u>

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(3) CAPITAL ASSETS, CONTINUED

	Balance at June 30, 2017	Additions	Retirements	Transfers	Balance at June 30, 2018
Capital assets not being depreciated:					
Dam and reservoir	\$ 4,605,177	-	-	-	4,605,177
Land improvements	38,375	-	-	-	38,375
Construction in progress:					
Del City pipeline replacement	-	401,701	-	-	401,701
Total capital assets not being depreciated	4,643,552	401,701	-	-	5,045,253
Other capital assets:					
Vehicles	613,085	57,461	-	-	670,546
Pipelines	4,269,079	-	-	-	4,269,079
Pumping plant	1,593,952	-	-	-	1,593,952
Office equipment	89,192	-	-	-	89,192
Buildings and structures	1,222,254	-	-	-	1,222,254
Energy Project equipment	2,536,613	-	-	-	2,536,613
Fencing and equipment	2,391,858	75,489	-	-	2,467,347
Total other capital assets	12,716,033	132,950	-	-	12,848,983
Accumulated depreciation:					
Vehicles	(419,032)	(51,666)	-	-	(470,698)
Pipelines	(3,553,494)	(42,727)	-	-	(3,596,221)
Pumping plant	(1,562,152)	(2,356)	-	-	(1,564,508)
Office equipment	(85,168)	(2,548)	-	-	(87,716)
Buildings and structures	(423,128)	(46,335)	-	-	(469,463)
Energy Project equipment	(1,014,647)	(126,831)	-	-	(1,141,478)
Fencing and equipment	(1,210,859)	(113,504)	-	-	(1,324,363)
Total accumulated depreciation	(8,268,480)	(385,967)	-	-	(8,654,447)
Capital assets, net	\$ 9,091,105	148,684	-	-	9,239,789

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(4) LONG-TERM DEBT

Long-term debt activity for the years ended June 30 was as follows:

	Balance at <u>June 30, 2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance at <u>June 30, 2019</u>	Amounts Due Within 1 Year
Drinking Water SRF note payable	\$ <u>804,017</u>	<u>-</u>	<u>(94,361)</u>	<u>709,656</u>	<u>94,426</u>

	Balance at <u>June 30, 2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance at <u>June 30, 2018</u>	Amounts Due Within 1 Year
Drinking Water SRF note payable	\$ <u>898,366</u>	<u>-</u>	<u>(94,349)</u>	<u>804,017</u>	<u>94,361</u>

Series 2007 Note Payable and Drinking Water SRF Note Payable

In January 2007, the District entered into a \$1,500,000 note payable agreement with a financial institution (the Series 2007 note payable) to help fund the District's Energy Project.

In October 2009, the District refinanced the Series 2007 note payable with a note payable (Drinking Water SRF note payable) from the Oklahoma Water Resources Board through its "Drinking Water SRF Financing Program." The Drinking Water SRF note payable has an annual interest rate of 0.50% in 2018 through maturity, matures on September 15, 2026, and is secured by the District's revenues. Semiannual interest and principal payments are due on March 15 and September 15. The note has certain financial, restrictive, and negative covenants that the District must meet. As of June 30, 2019, the District was in compliance with such covenants.

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(4) LONG-TERM DEBT, CONTINUED

Future payments of principal and interest of the District's long-term debt for the next 5 years and to maturity are as follows:

<u>Year</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>
2020	\$ 97,856	3,430	94,426
2021	97,386	2,958	94,428
2022	96,970	2,486	94,484
2023	96,568	2,013	94,555
2024	96,200	1,540	94,660
2025–2027	<u>238,882</u>	<u>1,779</u>	<u>237,103</u>
	<u>\$ 723,862</u>	<u>14,206</u>	<u>709,656</u>

(5) ASSESSMENTS RECEIVABLE

In connection with the District's Energy Project, the District entered into contracts with the City of Norman and the City of Del City, in which the two cities agreed to repay their share of the note payable related to the project through an assessment receivable. The assessments mirror the terms of the Drinking Water SRF note payable. See Note 4 for the respective terms. The assessments are secured by gross revenues received from the sale of water by the respective cities. The balance of the assessments receivable for the Energy Project at June 30, 2019 and 2018, was \$679,800 and \$779,951, respectively.

(6) DEFINED BENEFIT PENSION PLAN

Plan Description

The District participates in OkMRF, an agent multiple public employer retirement system (PERS) defined benefit pension plan. The Plan provides pensions for all regular, full-time employees. The OkMRF plan issues a separate financial report and can be obtained from OkMRF or from their website: <https://www.okmrf.org/financial>. PERS is a retirement system that provides benefits to employees of one or more state or local governmental entities. An agent PERS maintains pooled administrative and investment functions for all participating entities. The authority to establish and amend the benefit provisions of the plans that participate in the OkMRF is assigned to the respective employer entities, which is the District's Board of Directors. Actuarial valuations are performed each year on July 1.

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(6) DEFINED BENEFIT PENSION PLAN, CONTINUED

Benefits Provided

The Plan provides retirement, disability, and death benefits. Retirement benefits for employees are calculated as 3 percent of the employee's average 5 highest consecutive years of salaries out of the last 10 years of service multiplied by the number of years of credited service. Employees with 10 or more years of vesting service can retire at the age of 65 or at the age of 55 with 80 points. Points are equal to age plus completed years of service. The Plan allows for early retirement at the age of 55 with 10 years of vested service. The early retirement benefit is the normal retirement benefit reduced 5 percent per year for commencement prior to the normal retirement age. All employees are eligible for disability benefits after 10 or more years of service. Disability benefits are determined in the same manner as normal retirement benefits and are payable upon disablement without an actuarial reduction for early payment. In-service death benefits equal 50 percent of the normal retirement benefit payable to the spouse until death or remarriage, or 50 percent of the normal retirement benefit payable to the elected beneficiary for 5 years certain (for non-married employees). An employee who deceases or terminates service with the District prior to vesting may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. Benefits in payments status are adjusted each July 1 based on the percentage change in the Consumer Price Index, limited to a maximum increase or decrease in any year of 3%.

The Plan allows for normal and optional forms of benefit payments. The normal form of payment is a monthly lifetime annuity with 5 years certain. Disability retirement benefits are paid only under the normal form. Optional forms of payment consist of jointed and 50% survivor annuity, joint and 66 and two-thirds percent last survivor annuity, and joint and 100% survivor annuity.

Employees Covered Under the Plan

At June 30 the following employees were covered under the Plan:

	<u>2019</u>	<u>2018</u>
Retirees, disabled participants, and beneficiaries		
currently receiving benefits	3	4
Terminated vested participants	1	1
Active participants	<u>6</u>	<u>6</u>
	<u>10</u>	<u>11</u>

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(6) **DEFINED BENEFIT PENSION PLAN, CONTINUED**

Contributions

The District's Board of Directors has the authority to set and amend contribution rates to the Plan. Participating employees contribute 6% of their annual compensation to the Plan. The District's contribution rates for fiscal years 2019 and 2018 were based on actuarially determined rates plus additional contributions. The rates for the fiscal years 2019 and 2018 were 9.52% and 12.40%, respectively, of covered salary. The District contributed \$24,478 and \$115,860 in employer contributions to the Plan in 2019 and 2018, respectively.

Total and Net Pension (Asset) Liability

The total pension (asset) liability as of June 30, 2019 and 2018, was determined based on actuarial valuations performed as of July 1, 2018, and July 1, 2017, respectively, which is also the measurement date. There were no changes in assumptions or changes in benefit terms that significantly affected measurement of the total pension (asset) liability as of June 30, 2019 or 2018. (See changes in assumptions below). There were also no changes between the measurement date of July 1, 2018 and 2017, and the District's report ending date of June 30, 2019 and 2018, that would have a significant impact on the net pension (asset) liability as of June 30, 2019 or 2018.

Actuarial Assumptions

The total pension (asset) liability as of the July 1, 2018 and 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment return and discount rate:	7.50% for both 2018 and 2017, compounded annually net of investment expense and including inflation
Salary increases:	Varies between 4.50% to 7.50% for 2018 and 4.00% to 7.40% for 2017
Mortality rates:	UP-1994 Mortality Table with projected mortality improvement by the Scale AA based on the employee's year of birth for both 2018 and 2017
Assumed inflation rate:	2.75% for both 2018 and 2017
Actuarial cost method:	Entry age normal for both 2018 and 2017

The actuarial assumptions used in the July 1, 2018 and 2017, valuations are based on the results of the actuarial experience study, which covers the 5-year period ending June 30, 2016. The experience study report is dated September 29, 2017.

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(6) DEFINED BENEFIT PENSION PLAN, CONTINUED

Discount Rate

The discount rate used to value benefits was the long-term expected rate of return on plan investments of 7.50% as of both July 1, 2018 and 2017, since the Plan's net fiduciary position is projected to be sufficient to make projected benefit payments.

The District has adopted a funding method that is designed to fund all benefits payable to participants over the course of their working careers. Any differences between actual and expected experience are funded over a fixed period to ensure all funds necessary to pay benefits have been contributed to the trust before those benefits are payable. Thus, the sufficiency of pension plan assets was made without a separate projection of cash flows.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (2.75% for 2018 and 2017). Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of both July 1, 2018 and 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Weighted Return</u>
Large cap stocks:			
S&P 500	25%	5.80%	1.45%
Small/mid cap stocks:			
Russell 2500	10%	6.40%	0.64%
Long/short equity:			
MSCI ACWI	10%	5.00%	0.50%
International stocks:			
MSCI EAFE	20%	6.20%	1.24%
Fixed income bonds:			
Barclay's Capital	30%	2.30%	0.69%
Real estate:			
NCREIF	5%	4.60%	0.23%
Cash and cash equivalents:			
3-month Treasury	0%	0.00%	0.00%
Total	<u>100%</u>		
Average real return			4.75%
Inflation			<u>2.75%</u>
Long-term expected return			<u>7.50%</u>

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(6) DEFINED BENEFIT PENSION PLAN, CONTINUED

Changes in the Net Pension (Asset) Liability

Changes in the net pension (asset) liability were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) - (b)
Balance at June 30, 2017	\$ 1,477,097	1,408,137	68,960
Changes for the year:			
Service cost	43,043	-	43,043
Interest cost	111,825	-	111,825
Difference between expected and actual experience	684	-	684
Assumption changes	11,501	-	11,501
Contributions—employer	-	118,989	(118,989)
Contributions—employee	-	15,572	(15,572)
Net investment income	-	180,366	(180,366)
Benefit payments, including refunds of employee contributions	(69,691)	(69,691)	-
Administrative expense	-	(3,125)	3,125
Net changes	97,362	242,111	(144,749)
Balance at June 30, 2018	1,574,459	1,650,248	(75,789)
Changes for the year:			
Service cost	44,582	-	44,582
Interest cost	115,478	-	115,478
Difference between expected and actual experience	(124,141)	-	(124,141)
Contributions—employer	-	115,860	(115,860)
Contributions—employee	-	19,304	(19,304)
Net investment income	-	125,115	(125,115)
Benefit payments, including refunds of employee contributions	(70,782)	(70,782)	-
Administrative expense	-	(3,531)	3,531
Net changes	(34,863)	185,966	(220,829)
Balance at June 30, 2019	\$ 1,539,596	1,836,214	(296,618)

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(6) DEFINED BENEFIT PENSION PLAN, CONTINUED

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate

The following presents the net pension (asset) liability of the District, calculated using the discount rate of 7.50% as of both July 1, 2018 and 2017, as well as what the District's net pension (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset) June 30, 2019	\$ (88,300)	(296,618)	(470,116)
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset) June 30, 2018	\$ 128,500	(75,789)	(246,352)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended June 30, 2019 and 2018, the District recognized pension (benefit) expense of \$(55,216) and \$7,993, respectively. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30:

	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 330	100,725	507	61,375
Changes in assumptions	5,557	-	8,529	-
Net difference between projected and actual earnings on pension plan investments	49,183	41,333	79,121	67,603
District contributions subsequent to measurement date	24,478	-	115,860	-
	<u>\$ 79,548</u>	<u>142,058</u>	<u>204,017</u>	<u>128,978</u>

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(6) DEFINED BENEFIT PENSION PLAN, CONTINUED

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

Reported deferred outflows of resources of \$24,478 related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a/an increase/decrease of the net pension (asset) liability in the year ended June 30, 2020. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2020	\$ (13,964)
2021	(22,886)
2022	(42,739)
2023	<u>(7,399)</u>
	<u>\$ (86,988)</u>

(7) DEFINED CONTRIBUTION PLAN

The District has a defined contribution plan and trust, known as the “Employee Retirement System of Central Oklahoma Master Conservancy District in Norman, Oklahoma, Defined Contribution Plan” (the “Contribution Plan”), in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan. The Contribution Plan is available only to the General Manager and contains a provision requiring the District to contribute up to 15% of the General Manager’s eligible compensation. For the years ended June 30, 2019 and 2018, the District contributed approximately \$19,000 each year to the Contribution Plan. Benefits depend solely on amounts contributed to the Contribution Plan plus investment earnings.

(8) DEFERRED COMPENSATION PLAN

The District has a deferred compensation plan (the “Deferred Compensation Plan”) as authorized by Section 457(b) of the Internal Revenue Code, as amended by the Tax Reform Act of 1986, and in accordance with the provisions of Sections 1701 through 1706 of Title 74 of the Oklahoma Statutes.

The Deferred Compensation Plan is available to all District employees. Participants may make voluntary contributions up to the maximum permitted by law. The District matches salary deferrals at 50%, up to 3% of the participant’s annual compensation. Participants are fully vested in their contributions and the District’s contributions. Participants may direct the investment of their contributions and the District’s contributions in available investment options offered by the Deferred Compensation Plan. All interest, dividends, and investment fees are allocated to participants’ accounts. The District’s contribution to the Deferred Compensation Plan in 2019 and 2018 approximated \$7,200 and \$6,800, respectively.

See Independent Auditors’ Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(9) SUBSEQUENT EVENTS

In July 2019, the District entered into a \$5,643,680 note payable agreement (Series 2019 Drinking Water SRF note payable) with the Oklahoma Water Resources Board through its “Drinking Water SRF Financing Program” to finance its Del City aqueduct replacement. The Series 2019 Drinking Water SRF note payable has an annual interest rate of 1.60% and an annual fee of 0.50% through maturity, which is the earlier of i) either the earlier of March 15 or September 15 preceding 15 years after the completion of the construction project, or ii) September 15, 2035. The Series 2019 Drinking Water SRF note payable has certain financial, restrictive, and negative covenants that the District must meet.

In July 2019, the District entered into financing agreements with the Cities in order to service the Series 2019 Drinking Water SRF note payable. Such financing agreement terms mirror the terms of the Series 2019 Drinking Water SRF note payable.

See Independent Auditors’ Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

**REQUIRED SUPPLEMENTARY
INFORMATION**

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

CONDITION RATING AND ESTIMATE-TO-ACTUAL COMPARISON OF MAINTENANCE OF INFRASTRUCTURE ASSETS

Fiscal Year Ended June 30, 2019

Condition Rating of Infrastructure Assets

	Years Ended June 30,		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Infrastructure assets (dam and reservoir)	99	92	93

Condition assessments of the infrastructure assets are made by the U.S. Department of the Interior's Bureau of Reclamation (BOR). The BOR typically performs a comprehensive assessment every 3 years and a limited condition assessment for other annual periods. The ratings are based on the BOR's "Facility Reliability Rating System for High and Significant Hazard Dams." The ratings are as follows: Good (rating of 80 or greater); Fair (rating of 60 to 79); and Poor (rating of 59 or less).

Estimate-to-Actual Comparison of Maintenance of Infrastructure Assets

		Years Ended June 30,				
		<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Estimate	\$	105,000	95,000	75,500	70,000	65,000
Actual		123,317	112,077	86,993	246,271	93,985

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

SCHEDULE OF CHANGES IN NET PENSION (ASSET) LIABILITY

<i>Fiscal Years Ended June 30,</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
Total pension liability					
Service cost	\$ 44,582	43,043	29,546	39,199	36,379
Interest cost	115,478	111,825	108,409	118,178	115,436
Differences between expected and actual experience	(124,141)	684	(20,798)	(205,605)	-
Changes in assumptions	-	11,501	-	-	-
Benefit payments, including refunds of employee contributions	<u>(70,782)</u>	<u>(69,691)</u>	<u>(76,338)</u>	<u>(79,253)</u>	<u>(80,831)</u>
Net change in total pension liability	(34,863)	97,362	40,819	(127,481)	70,984
Total pension liability, beginning of year	<u>1,574,459</u>	<u>1,477,097</u>	<u>1,436,278</u>	<u>1,563,759</u>	<u>1,492,775</u>
Total pension liability, end of year (a)	<u>\$1,539,596</u>	<u>1,574,459</u>	<u>1,477,097</u>	<u>1,436,278</u>	<u>1,563,759</u>
Plan fiduciary net position					
Contributions—employer	\$ 115,860	118,989	117,934	82,298	180,423
Contributions—employees	19,304	15,572	14,953	13,444	13,138
Net investment income	125,115	180,366	13,452	36,413	168,530
Administrative expenses	(3,531)	(69,691)	(2,684)	(2,672)	(2,508)
Benefit payments, including refunds of employee contributions	<u>(70,782)</u>	<u>(3,125)</u>	<u>(76,338)</u>	<u>(79,253)</u>	<u>(80,831)</u>
Net change in plan fiduciary net position	185,966	242,111	67,317	50,230	278,752
Plan fiduciary net position, beginning of year	<u>1,650,248</u>	<u>1,408,137</u>	<u>1,340,820</u>	<u>1,290,590</u>	<u>1,011,838</u>
Plan fiduciary net position, end of year (b)	<u>\$1,836,214</u>	<u>1,650,248</u>	<u>1,408,137</u>	<u>1,340,820</u>	<u>1,290,590</u>
Plan's net pension (asset) liability (a) - (b)	<u>\$ (296,618)</u>	<u>(75,789)</u>	<u>68,960</u>	<u>95,458</u>	<u>273,169</u>

The amounts presented for each year-end were determined as of July 1 of the current year.

Only the last 5 fiscal years are presented because data for the prior 5 years is not readily available.

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

SCHEDULE OF NET PENSION (ASSET) LIABILITY RATIOS

<i>Fiscal Years Ended June 30,</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
Total pension liability	\$1,539,596	1,574,459	1,477,097	1,436,278	1,563,759
Plan fiduciary net position	<u>1,836,214</u>	<u>1,650,248</u>	<u>1,408,137</u>	<u>1,340,820</u>	<u>1,290,590</u>
Plan's net pension (asset) liability	<u>\$ (296,618)</u>	<u>(75,789)</u>	<u>68,960</u>	<u>95,458</u>	<u>273,169</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>119.27%</u>	<u>104.81%</u>	<u>95.33%</u>	<u>93.35%</u>	<u>82.53%</u>
Covered payroll	<u>\$ 261,961</u>	<u>260,106</u>	<u>244,332</u>	<u>252,604</u>	<u>223,981</u>
Plan's net pension (asset) liability as a percentage of covered payroll	<u>(113.23)%</u>	<u>(29.14)%</u>	<u>28.22%</u>	<u>37.79%</u>	<u>121.96%</u>

The amounts presented for each year-end were determined as of July 1 of the current year.

Only the last 5 fiscal years are presented because data for the prior 5 years is not readily available.

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<i>Fiscal Years Ended June 30,</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
Actuarially determined contribution	\$ 24,939	40,367	47,278	66,965	82,298
Contributions in relation to the actuarially determined contribution	<u>24,478</u>	<u>115,860</u>	<u>118,989</u>	<u>117,934</u>	<u>82,298</u>
Contribution (deficit) excess	<u>\$ (461)</u>	<u>75,493</u>	<u>71,711</u>	<u>50,969</u>	<u>-</u>
Covered payroll	<u>\$ 261,961</u>	<u>260,106</u>	<u>244,332</u>	<u>252,604</u>	<u>223,981</u>
Contributions as a percentage of covered payroll	<u>9.34%</u>	<u>44.54%</u>	<u>48.70%</u>	<u>46.69%</u>	<u>36.74%</u>

The amounts presented for each year-end were determined as of July 1 of the current year.

Only the last 5 fiscal years are presented because data for the prior 5 years is not readily available.

See Independent Auditors' Report.



**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Central Oklahoma Master Conservancy District

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Central Oklahoma Master Conservancy District (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 6, 2019. Our report includes an explanatory paragraph disclaiming an opinion on required supplementary information.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal controls that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(Continued)

**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS, CONTINUED**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Finley & Cook, PLLC

Shawnee, Oklahoma
December 6, 2019

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended June 30, 2019

None noted.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2019

FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

MATERIAL WEAKNESS IN INTERNAL CONTROLS

Finding 2018-001

Criteria or Specific Requirement—Management is responsible for establishing and maintaining effective internal control over accounting for capital assets in accordance with accounting principles generally accepted in the United States (GAAP).

Condition—The District did not have effective internal controls in place to properly identify costs that should be capitalized rather than expensed in accordance with GAAP.

Context—GAAP basis financial statements require certain costs to be capitalized and depreciated over the assets estimated useful life.

Effect—During our audit, we proposed a material adjusting journal entry to capitalize approximately \$402,000 of costs related to the Del City line replacement which were originally recorded in expense in 2018.

Cause—The District did not have effective internal controls in place to properly identify costs that should be capitalized rather than expensed in accordance with GAAP.

Recommendation—We recommend the District evaluate and implement procedures to ensure all capital related costs are properly identified and recorded in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Actions—We will evaluate the procedures related to identifying and recording capital related costs in accordance with GAAP in order to strengthen controls over this process.

Follow-Up by Auditors in 2018—This was not noted as a finding in 2019. The matter is considered resolved.

Central Oklahoma Master Conservancy District

*The Auditors' Communication with
Those Charged with Governance*

June 30, 2019





December 6, 2019

Board of Directors
Central Oklahoma Master Conservancy District

We have audited the financial statements of the Central Oklahoma Master Conservancy District (the "District") as of and for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated February 11, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. A new accounting standard was adopted as discussed below. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

In November 2016, the Governmental Accounting Standards Board issued Statement No. 83, *Certain Asset Retirement Obligations* (GASB 83). GASB 83 provides accounting and reporting requirements for certain asset retirement obligations (ARO) that arise from legally enforceable liabilities associated with the retirement of certain tangible capital assets. ARO's require an internal and external obligating event and the costs to be reasonably estimable for the incurrence of such a liability. The District adopted this statement on July 1, 2018. The District has determined that it did not have any ARO as of June 30, 2019 or 2018, therefore, the adoption of this statement did not have a significant impact on the financial statements.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities* (GASB 84). GASB 84 improves guidance regarding the recognition and reporting of fiduciary activities. GASB 84 identifies four types of reportable fiduciary fund types, including 1) pension (and other employee benefit) trust funds, 2) investment trust funds, 3) private-purpose trust funds, and 4) custodial funds. GASB 84 outlines the accounting and disclosure requirements for operating structures that qualify as a fiduciary activity. The District will adopt GASB 84 effective July 1, 2019, for the June 30, 2020, reporting year. The District does not expect GASB 84 to have a significant impact on the financial statements.

Significant Audit Matters, Continued

Qualitative Aspects of Accounting Practices, Continued

In June 2017, GASB issued Statement No. 87, *Leases* (GASB 87). GASB 87 defines a lease as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. GASB 87 improves accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The District does not expect GASB 87 to have a significant impact on the financial statements.

In March 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* (GASB 88). GASB 88 provides certain clarifications regarding debt as a liability and identifies additional required disclosures related to debt, including direct borrowings and direct placements of debt. The District adopted GASB 88 on July 1, 2018. The adoption had no significant impact on the financial statements.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (GASB 89). GASB 89 directs that interest costs incurred during the construction period of an asset be expensed in the period incurred. GASB 89 changes previous guidance regarding capitalized construction costs where such costs were typically included in the capitalized cost of the asset constructed and depreciated over time. The District will adopt GASB 89 on July 1, 2020. The District does not expect GASB 89 to significantly impact the financial statements.

Significant Audit Matters, Continued

Qualitative Aspects of Accounting Practices, Continued

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most significant estimates are the useful lives of capital assets and the fair value of investments. We evaluated and tested the estimates in determining that they were reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. During our audit we proposed several adjustments to the financial statements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Significant Audit Matters, Continued

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 6, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Matters or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management’s discussion and analysis and the required supplementary information that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the financial statements, and our knowledge we obtained during the audit of the financial statements. We did not audit such information and do not express an opinion or provide any assurance on such information.

Other Required Communications

We as independent auditors are required to:

- a. Communicate significant deficiencies and material weaknesses in internal control to those charged with governance.
- b. Report directly to the audit committee (or equivalent) any fraud that causes a material misstatement of the financial statements and any fraud involving senior management. Fraud perpetrated by lower-level employees is also to be reported if it resulted in an individually significant misstatement.
- c. Report illegal acts or noncompliance with laws or regulations that come to our attention (except those that are clearly inconsequential).

We have nothing to report.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the District, and federal and state agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Finley & Co., PLLC

Item D.5.

SURPLUS DECLARATION LIST

Staff recommends the following field equipment items be declared surplus:

ITEM	YEAR	MODEL	SERIAL #
1. 35' Gooseneck Trailer	2000	Performance Trailers	13ZGF13227Y100493
2. Bobcat Sod Layer	2012	SOD LAYER	679100700
3. John Deere Tractor		5303	PY5303U008422
w/ John Deere Front Load		522	W00522XO15266
4. Genie 60' Boom Lift	1997 (2018)	S-60/4WD	2368
5. GrassWorks Weed Wiper			GW1012512
6. Diesel Trash Pump Trailer	2008	D914L04	8DZXL065095
7. Chevy Utility Truck	2010	2KH	1GC5KVBG6AZ248533
8. Stone Concrete Mixer		950M	442004407
9. Bobcat Seeder	2012	Seeder 72SDR	AEUD00214
10. Clemco Sandblaster	2004	2024	37947 (Approved in 2018)
11. GrassWorks Weed Wiper			1012813

OFFICE SURPLUS

Staff recommends the following office equipment be declared surplus:

ITEM	YEAR	MODEL	SERIAL #
12. RICOH color copier	2009	MP C2500SPF	L3684900486
13. ESI phone System	2013	VENDOR: CONVEY COMMUNICATIONS	

Item E.7.

Manager's Report
September 2nd, 2020

- Held interviews for Maintenance Supervisor position. Tim Carr chosen as permanent Supervisor.
- Shoreline Erosion/Wetlands Project
 - Data collection is continuing on the wetlands.
 - ODWC performed a fish survey around the wetlands in comparison to the control point for data collection and results were positive. On average there are 5x more species and quantities of fish life around the floating wetlands.
 - Completed paperwork for access to ASAP and SAM for BOR reimbursement of Wetland Costs as per the agreement between the District and the Bureau of Reclamation.
- Intercom for gate was ordered to work in sync with the new phone systems.
- August 13th & 14th, Kyle and Tim toured two other Master Conservancy Districts (Arbuckle and Mountain Park) to better understand similarities and functions. Discussed budget, employee pay and benefits, title transfer, equipment inventory, etc.
- Held staff meetings with entire District team to discuss equipment needs, possible surplus equipment that is no longer needed, and spare components to ensure full functionality of COMCD's mission.
- Replaced worn drive shaft on Pump 5 (going to Relift). Motor is back in full operational status.
- BOR Visits
 - BOR completed gate inspections following the re-coating of the repaired gate from last year. Additionally, the BOR inspected the other gate to ensure no damage was occurring.
 - BOR also completed full gate exercise for all gates (Emergency and Regulating)
 - In accordance with BOR's O&M recommendations, a dehumidifier was ordered for gate house cellar to reduce corrosion
- Began ordering of approved New Capital Assets for FY20-21.
- Global Production Systems (GPS) toured the facility as a possible local vendor for equipment at the Pumping Plant, as well as at the Relift station.
- Two employees completed License Renewal Training to retain their Class C Operator license.
- Held monthly Construction Progress Meeting for the Del City Pipeline Project.
- Alliance Maintenance performed Sanitation Cleaning of Office Headquarters.
- August 11th, Aflac visited the office for insurance information and inquiries
- August 24th, American Fidelity did the same. (Current Provider)
- New phone system installed
- Continued work on Budgeting Policy. Currently evaluating equipment need and schedule of replacement for 10-year horizon.
- Received recommendations from Watkins Insurance Agency audit. Will have Tanner Watkins present at an upcoming Board meeting.

- Continued work on Title Transfer presentation. Plan to have as discussion item at the October Board meeting.
- Working on an analysis of pay and benefits for District employees. Plan to make a presentation and recommendations to the Board in the near future.