

MINUTES OF THE REGULAR BOARD MEETING
CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

Thursday, February 2, 2023

6:30 P.M.

Location: 12500 Alameda Dr. Norman, OK 73026

A. Call to Order

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

Roll Call

Board Members Present:

President Amanda Nairn
Vice President Michael Dean
Treasurer Jann Knotts
Secretary Dave Ballew
Edgar O'Rear
Steve Carano

Board Members Absent:

Espaniola Bowen

Staff Present:

Kyle Arthur, General Manager
Kelley Metcalf, Office Manager
Tim Carr, Operations & Maintenance Supervisor

Others Present:

Dean Couch
Paul Streets
Carrie Evenson
Mark Roberts
Darrel Pyle
Shawn O'Leary
Jeremy Rice
Beverly Palmer
Jason Murphy
Jennifer Wasinger
Tim Barnes

B. Statement of Compliance with Open Meeting Act

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

C. Administrative

1. Public Comment

None

2. Presentation from City of Norman and Freese and Nichols on Lake Thunderbird TMDL (Total Maximum Daily Load)

Ms. Nairn explained this is the first session in an educational series. The hope is that City of Moore and Oklahoma City will accept an invitation to come give an update.

Ms. Nairn introduced Jason Murphy. Mr. Murphy is a Stormwater Program Manager at City of Norman. Mr. Murphy thanked Mr. Pyle and Mr. O’Leary for attending.

Please see the presentations titled “City of Norman Lake Thunderbird TMDL Update” and Freese and Nichols “Lake Thunderbird TMDL Model Update August 22, 2022” in the packet.

Jason Murphy gave an overview of the City of Norman’s stormwater program, the TMDL and recent monitoring and modeling activities. Recently, the City of Norman contracted with Freese and Nichols (FIN) to review the models to determine whether the model outputs align with recent monitoring data collected from 2016-2020. In August 2021, FIN, met with DEQ to coordinate on a recalibration approach.

Jeremy Rice, from FIN, presented the technical portion of the presentation regarding the specifics of the modeling effort. There are differences in the model outputs between the original model and this model, primarily due to the limited amount of data utilized in the original model as compared to this model. Any changes to the TMDL model would require coordination with DEQ and EPA. The best scenario would be to establish an agreement with the Cities of Oklahoma City, Norman and Moore to share water quality monitoring and modeling data with respect to the Lake Thunderbird TMDL to better understand the nutrient loading within the watershed and differences between the original model and any subsequent models.

3. Discussion of initial draft budget FY 2024-2026

Please see the packet for the budget documents.

Mr. Arthur discussed the handout titled Operations and Maintenance (O&M) assessment history by budget category from FY17-FY26. He reminded the Board, and in particular wanted the newest members to be aware, that the recent trend in O&M assessments (FY21-FY23) has been lower than in

the previous years. Furthermore, a significant amount of surplus funds has been used to cover several major expenses without the need of additional assessments, as had been past practice.

Mr. Arthur then proceeded to discuss the draft 2024-2026 budget. The budget gives a 3-year look. A 5% increase in salary and wages is budgeted. Ms. Knotts asked for clarification on the 27% increase from FY 2024 to FY 2025 on employee retirement (account 5009). Mr. Arthur stated due to wages and salary increases, retirement expenses would increase as well. Specifically, as to the reason for the dramatic increase, Mr. Arthur said the District's portion of the employee defined benefit plan is expected to increase significantly over last year, primarily due to poor market performance. The preliminary prediction is an approximate 50% increase over last year's contribution rate. Other District retirement obligations (the Manager's 401a and the employee's 457b) would only increase slightly, primarily in line with salary increases.

Mr. Arthur noted that he did some research and the contract between the District and Department of Public Safety for rental of the boathouse slips has been \$600 a month for a very long time. Repairs on the boathouse often cost the District \$5000 to \$6000 a year, and the yearly insurance premium is approx. \$8,300. He stated he will be requesting \$700 a month for the rental of the slips.

Mr. Dean asked about the increase in insurance costs from last year. Mr. Arthur replied that he recently performed a review of our policy and coverages and felt that the Main Pumping Plant, the back-up generators and the Relift plant were underinsured. So, this budget total reflects an increase in coverage.

Mr. Arthur also discussed that he included \$25,000 in the budget for the Board to consider funding some activities of the Lake Thunderbird Watershed Alliance (LTWA). He stated that, as a District, we care a great deal about water quality and spend a good sum of money annually monitoring it. However, we have very little control over the quality of the water flowing into the lake. The TMDL is arguably the pillar component of water quality improvement for the lake, but again, the District has little control over its implementation. Therefore, we have to think about other ways in which we can make a difference. An organization such as the LTWA could be one of those. LTWA is a non-profit organization that was funded by a grant from Bureau of Reclamation in 2020. There are other alliances in the state. Ms. Nairn noted that LTWA does have a Watershed Management Plan. Mr. Arthur and Ms. Nairn serve on the board. Also serving on the board is representatives from DEQ, OWRB, City of Moore, Midwest City, Thunderbird Sailing Club, and Oklahoma State University Cooperative Extension Services. The board of 11 members are volunteers. Mr. Arthur stated more information is expected at the next board meeting. Mr. Arthur then asked Ms. Nairn if she wanted to add anything. Ms. Nairn stated there are more funding opportunities available that the LTWA could access, but that often requires matching funds that the LTWA does not currently have.

Mr. Arthur increased the accounting & annual audit amount due to the bookkeeper informing the District to start looking for someone new. At this time, it is only an approximation. He also stated that Treasurer Knotts, Ms. Metcalf and himself will be interviewing some potential bookkeeper options over the next few weeks.

The amount for water quality monitoring decreased. Mr. Arthur introduced the idea that the District may want to consider modifying the monitoring program. In particular, he suggested considering a shift from doing only in-lake monitoring to looking more in the watershed, particularly nearer the lake itself. Possibly a hybrid approach. Several reasons were stated for considering this. First, the OWRB performs monitoring on most major Oklahoma lakes 2 out of every 5 years (in nonconsecutive years) at no cost to the District. This is called the Beneficial Use Monitoring Program (BUMP). At this time, Mr. Arthur believes the lake is scheduled for this year. This monitoring program would provide a routine lake monitoring dataset, albeit not as robust as the current program. Furthermore, with respect to the possible CEC sampling over the next year, the RFP/Invitation to Bid will request to have both watershed and in-lake monitoring performed. Therefore our water quality monitoring program for at least this year could be covered by this effort. Mr. Arthur noted that the federal funding to pay for the CEC monitoring would not cover the costs associated with non-CEC sampling. So, the District would have to cover those costs. Ms. Nairn stated that none of this has anything to do with dissatisfaction with performance or pricing with the OWRB.

Mr. Dean noted that no money was earmarked for capital assets. Mr. Dean asked Mr. Arthur to consider moving the \$30,000 savings from water quality monitoring to the capital asset category, for possible equipment purchases. Mr. Arthur stated he had not identified the need for equipment purchases but he could certainly earmark that amount. Mr. Arthur also stated with the use of American Rescue Plan Act (ARPA) funds there is capital asset purchases projected.

Ms. Nairn stated that when the board votes on the budget, it will be to consider the 2024 budget. The other years are just a projection.

Ms. Knotts asked Ms. Nairn if the board could take a break. Ms. Nairn announced a 5-minute break at 8:19 P.M. Regular session resumed at 8:29 P.M.

Mr. Arthur started the discussion on ARPA funds. Please see the document titled APRA Funds-\$1,353,262 allocation in the packet.

Mr. Arthur and the staff put their thoughts together and arrived with the list of projects. The expenses must be encumbered by end of 2024 and spent by end of 2026. Mr. Couch, by request of Mr. Arthur, researched ARPA funding and bidding requirements.

Mr. Arthur stated that the ARPA funds can be used for reimbursement of past eligible expenses. The District has several completed projects that may qualify for immediate reimbursement. Any qualifying, eligible projects costs incurred after March 3, 2021, would be reimbursable. This could include our generator project, recent telemetry and Supervisory control and data acquisition (SCADA) upgrades, some Del City pipeline expenses, and the rehabilitation of pumping units at the two plants.

Mr. Ballew made a point that in his past experiences, the expenditure reimbursement has taken several months and wanted to make sure we consider that and that we have enough funds on-hand to cover expenses, if necessary. Mr. Tim Barnes stated in his experience with federal awards, you spend the money on the project and file for cost reimbursement and usually get the funds in 30 days. Mr. Arthur

stated he would talk to OWRB concerning the timetable of reimbursement. Furthermore, we could possibly stipulate in any contracts that payment will be made when reimbursement funds are received. Mr. Arthur stated that this is how the SRF loan for the pipeline worked.

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

Ms. Nairn entertained moving item # 7 to the beginning of the action items. With no objection item #7 was moved.

7. Annual Audit Report for fiscal year ended June 30, 2022, and corresponding Resolution

Before Mr. Barnes reported on the annual audit he stated if \$750,000 is spent (in fiscal year) with American Rescue Plan Act (ARPA) funds a compliance audit is required. The compliance audit cost is between \$7,000 to \$10,000.

Mr. Barnes presented the FY 2022 results to the Board. Mr. Barnes indicated that it was a clean audit, with no surprises, or problem areas. Please see document titled "Finley and Cook Financial Statements" in the packet.

Michael Dean made a motion seconded by Jann Knotts, and the Resolution was approved.

Roll call vote:

President Amanda Nairn Yes
Vice President Michael Dean Yes
Treasurer Jann Knotts Yes
Secretary Dave Ballew Yes
Member Edgar O'Rear Yes
Member Espaniola Bowen Absent
Member Steve Carano Yes

Motion Passed

4. Minutes of the regular board meeting held on Thursday, December 1, 2022, and corresponding Resolution

Michael Dean made a motion seconded by Steve Carano to accept the minutes as presented, and the Resolution was approved.

Roll call vote:

President Amanda Nairn Yes
Vice President Michael Dean Yes

Treasurer Jann Knotts Abstain
Secretary Dave Ballew Yes
Member Edgar O'Rear Yes
Member Espaniola Bowen Absent
Member Steve Carano Yes
Motion Passed

5. Financial statements for operating accounts for November 2022, and corresponding Resolution

Ms. Knotts pointed out that account 4014, retirement plan payable, was overstated by \$5,309.38 as of June 30, 2022, and the bookkeeper made the correction. (See FYE '23 adjusts-prior years surplus adjustment (acct 4808). A new account code was set up (Acct 1920.2) for pipeline loan escrow.

Ms. Knotts mentioned that interviews with potential new bookkeepers will happen shortly.

Finding the financial statements in good order Jann Knotts made a motion seconded by Michael Dean, and the Resolution was approved.

Roll call vote:

President Amanda Nairn Yes
Vice President Michael Dean Yes
Treasurer Jann Knotts Yes
Secretary Dave Ballew Yes
Member Edgar O'Rear Yes
Member Espaniola Bowen Absent
Member Steve Carano Yes
Motion Passed

6. Financial statements for operating accounts for December 2022, and corresponding Resolution

Ms. Knotts explained the bookkeepers note at the bottom of the page. The District received \$8,453.10 from Norman for additional wear and tear on the pumping of flood pool water. This revenue was credited to account 5101 (Plant & Dam Maintenance). Ms. Nairn stated she would rather have the statement read for flood pool water not excess water usage.

Jann Knotts made a motion seconded by Edgar O'Rear, and the Resolution was approved.

Roll call vote:

President Amanda Nairn Yes
Vice President Michael Dean Yes
Treasurer Jann Knotts Yes
Secretary Dave Ballew Yes
Member Edgar O'Rear Yes
Member Espaniola Bowen Absent

Member Steve Carano Yes

Motion Passed

8. Application for American Rescue Plan Act funds from the Oklahoma Water Resources Board, and corresponding Resolution

The Resolution states that Ms. Nairn would be authorized and directed to sign an application and related documents necessary to file and process an American Rescue Plan Act (ARPA) grant application with the Oklahoma Water Resources Board on behalf of the Central Oklahoma Master Conservancy District.

Michael Dean made a motion seconded by Steve Carano, and the Resolution was approved.

Roll call vote:

President Amanda Nairn Yes

Vice President Michael Dean Yes

Treasurer Jann Knotts Yes

Secretary Dave Ballew Yes

Member Edgar O'Rear Yes

Member Espaniola Bowen Absent

Member Steve Carano Yes

Motion Passed

E. Discussion

7. Legal Counsel's Report

Jan 2 Review list of possible projects for American Rescue Plan Act (ARPA) funding prepared by Kyle Arthur

Jan 3 Review ARPA legislation and regulations and state appropriation concerning ARPA funding opportunities

Jan 4 Review EPA guidance on contaminants of emerging concerns and OWRB information about BIL funding opportunities and requirements

Jan 6 Review draft RFP prepared by Kyle Arthur concerning possible Contaminants of Emerging Concern (CEC) project and analyze federal procurement requirements and state bidding requirements and District bylaws regarding acquisition of services

Jan 22 Review documents forwarded by Kyle Arthur about Bureau of Reclamation decision regarding Oklahoma Turnpike Authority plans

Jan 26 Go To Meeting conference with Kyle Arthur and Kelley Metcalf about ARPA funding application requirements and forms

8. General Manager's Report

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

9. President's Report

Ms. Nairn handed out an informational flyer of some upcoming Public Lectures.

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

None

F. Adjourn

There being no further business, President Nairn adjourned the meeting at 9:34 P.M.