

MINUTES OF THE REGULAR BOARD MEETING
CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

Thursday, March 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
Española Bowen
Steve Carano

Board Members Absent:

None

Staff Present:

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

Others Present:

Dean Couch
Paul Streets
Carrie Evenson
Michele Loudenback
Jerry Gates
Phil Moershel
Mark Roberts
Alan Swartz

Virtually:

Geri Wellborn

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 representatives of the Lake Thunderbird Watershed Alliance

Please see the District website for the LTWA presentation.

Ms. Nairn stated during the last meeting there was discussion regarding the Lake Thunderbird Watershed Alliance (LTWA), and the possibility of the District funding \$25,000 to the organization. This presentation is meant to help further inform that decision that will be made later in the agenda with the consideration of the FY2024 budget.

Michele Loudenback, President of LTWA, gave the first portion of the presentation followed by Carrie Evenson.

Ms. Loudenback explained the non-profit was formed in 2020 with funding obtained from a WaterSmart Grant through the Bureau of Reclamation. The LTWA board of Directors consists of a very diverse group. Each of the 5 cities may appoint a staff representative to serve (Del City, Norman, Midwest City, Moore, and Oklahoma City), and COMCD has a fixed position on the Board. Four Directors are at-large and will be voted for by the directors at the annual meeting.

Ms. Loudenback pointed out the 2 missions of the organization: (1) to work collaboratively with residents, communities, and other stakeholders to protect the water quality and quantity of Lake Thunderbird, (2) to serve as a clearinghouse for information about Lake Thunderbird including implementation projects, research and outreach material.

Ms. Evenson shared goals, objectives, and the programs that are currently being developed. She stated that the organization is a 501(c) and can accept donations from individuals and groups. If the organization receives donations, applying for grants that have match money could be possible.

Mr. Carano asked if there could be opportunities for students majoring in environmental science to intern or job shadow. Ms. Evenson stated they would be open to that. Ms. Nairn said students that could help with grant writing may also be a possibility. Ms. Nairn stated an engineering firm has volunteered to assist in the next Bureau of Reclamation grant application, and to help with design of the retrofit of a neighborhood pond.

Mr. Ballew asked if three or more of the COMCD Board members joined this organization would there be quorum issues. Mr. Couch responded no; however, discussion of District business would not be allowed.

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

3. Minutes of the regular board meeting held on Thursday, February 2, 2023, and corresponding Resolution

Mr. O’Rear requested where acronyms were used that the full name be used followed by the acronym.

Michael Dean made a motion to amend the minutes with the additional language. Edgar O’Rear seconded the motion, 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 Yes
Member Steve Carano Yes

Motion Passed

4. Financial statements for operating accounts for January 2023, and corresponding Resolution

Ms. Knotts pointed out the accountant’s notes. Adjustments were made to bring the books into agreement with the Auditor’s Report. This is done yearly in accordance with generally accepted accounting principles.

Ms. Knotts stated for account 4930 (the Capital and Emergency Expenditures Fund, investment account), the District is down only \$11,500 on a year-to-year basis. She noted that January was a positive month in the stock market, interest rates and for securities.

Finding the financial statements in good order Jann Knotts made a motion seconded by Espaniola Bowen to approve the Resolution.

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 Yes
Member Steve Carano Yes
Motion Passed

Ms. Nairn proposed that the Board consider moving the financials from the Action portion of the agenda to the Discussion portion. Mr. Arthur stated that, in his opinion, it is unusual to have financials as an approval item for a board, commission, etc. Rather, it is normally more of the nature of a report with questions and answers. He emphasized any change of place on the agenda would allow for the same level of transparency. He further stated it can be problematic when an error is found later and the question arises if past financials need to be reapproved by the Board. Treasurer Knotts said she supported the change of placement on the agenda. Ms. Nairn inquired from legal counsel if it was possible to change this item from an action item to an administrative item in the future. Mr. Couch stated the District Bylaws do not prohibit the change. After a brief discussion, starting next month, the Treasurer Report will be on the agenda as an administrative item versus an action item.

5. Letter of engagement of Finley & Cook, PLLC to perform FY 22-23 financial audits, and corresponding Resolution

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

Mr. Arthur stated the engagement contract for Finley & Cook to perform the base FY 22-23 financial audit increased to \$20,000 from \$19,400 in the previous year. \$7,000 to \$10,000 is expected to be an additional cost associated with a compliance audit, that will have to be performed due to federal awards. Mr. Arthur recommended endorsement of Finley & Cook to perform the District audit.

Mr. Ballew asked if Mr. Arthur considered the \$30,000 top-end estimate to be a "cost not to exceed". He said yes.

Michael Dean made a motion seconded by Steve Carano to approve the Resolution.

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 Yes
Member Steve Carano Yes
Motion Passed

6. FY 2024-2026 Budget, and corresponding Resolution

Ms. Nairn stated the revised budget is the one on the table, this differs from the one sent in the packet. For the revised budget please see the District website in the Board Meeting tab under March 2023.

Mr. Arthur stated at the last meeting the budget was discussed at length. Mr. Arthur pointed out the revisions made since the draft budget was presented are highlighted in blue. Specifically, account 5301 (insurance) was reduced by \$7,000, due to getting more definitive numbers from the insurance carrier. Account 5502, accounting & annual audit, was decreased by \$6000, due to receiving an official estimate from the new accounting firm. For account 5950, asset purchases, \$30,000 has been earmarked by recommendation of Mr. Dean at the last meeting. If the asset purchase does not take place the earmarked amount could be moved to a different accounting code, perhaps for the non-Contaminants of Emerging Concerns (CEC) monitoring analyses that might not be paid for with federal money.

Mr. Arthur stated that he and Ms. Nairn discussed the possibility raised at the last Board meeting—given the previously unforeseen availability of America Rescue Plan Act (ARPA) funds—that the Board could consider a method by which the cities would receive a more direct benefit from the ARPA funds windfall. Mr. Arthur reiterated that he is supportive of this. Current projections would show a potential surplus of approximately \$400,000, with surplus being defined as any carryover at the end of a fiscal year in excess of \$1.25 million. This projected amount would include possible reimbursement of projects from ARPA funds. Mr. Arthur recommended however, and Ms. Nairn agreed, that more time and clarity is needed regarding what projects will ultimately qualify for reimbursement, cash flow timing, etc. before decisions are made regarding any benefit to the cities. Mr. Arthur stated he is also open to other suggestions. Ms. Nairn stated she also is very much in favor of considering future savings for the cities and reminded the board that previously a Resolution was passed to reduce the fourth quarter assessment to the member cities during the coronavirus pandemic in 2020.

Ms. Nairn explained to the board that the action item states FY 2024-2026, however the consideration is for the FY 2024 budget number. The 2025-2026 is merely an outlook for the member cities. Mr. Ballew expressed concern regarding this matter, specifically encumbering money in future years. Mr. Arthur explained that the FY 2024 budget as proposed, if approved, would be the budget for the next fiscal year. Furthermore, the District normally approves the budget for the next fiscal year at this time to give the cities the necessary lead time to formulate their own budgets. He agreed that the FY 2025 and FY 2026 numbers were for informational purposes only. Discussion was held and the decision was made to amend the resolution to make clear that the action being taken by the Board was to approve the FY 2024 budget and that the FY 2025 and FY 2026 information is a projection only and not the final budget for those years.

Mr. Dean inquired about purchasing an additional Treasury Bill for some of our operating account funds. Mr. Ballew also recommended looking into the possibility of a money market or other liquid investment account. Mr. Arthur stated that he would visit with BancFirst about options. Ms. Knotts made the statement that the District has a sweep account.

Mr. Couch drafted an amended resolution based upon the discussion held. Ms. Nairn read the amended Resolution aloud.

Steve Carano made a motion seconded by Espaniola Bowen to approve the Resolution, as amended.

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 Yes
Member Steve Carano Yes

Motion Passed

7. Amendments to Article 10 of the District Bylaws regarding Contracts, and corresponding Resolution

Ms. Nairn stated this is essentially a clean-up item. The state statute regarding contract competitive bidding for Master Conservancy Districts changed in November 2021, namely the threshold above which advertisement for bids shall be required increased from \$50,000 to \$100,000. The COMCD Bylaws now need to be updated, which referenced the prior threshold amount. The last time the Bylaws were updated was December 2014.

Mr. Arthur also mentioned that the Purchasing Policy, approved by the Board in March 2022, already reflected the statute changes on the bidding thresholds. Mr. Arthur requested that Mr. Couch reference the Purchasing Policy in the proposed amendment to Article 10 of the District Bylaws.

Mr. O'Rear suggested that going forward policies/amendments need to include the date of approval for easy reference.

Mr. Arthur asked Mr. Couch to explain what would happen next if these amendments are approved. Mr. Couch explained that the Statute requires Maser Conservancy Districts to file a petition, with the District Court, to amend the Bylaws and that he would do that.

Jann Knotts made a motion seconded by Edgar O'Rear to approve the Resolution.

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 Yes
Member Steve Carano Yes

Motion Passed

E. Discussion

8. Legal Counsel's Report

- February 2 Attend monthly board meeting
- February 6 Begin review of documents provided by Oklahoma Water Resources Board regarding funding for contaminants of emerging concerns (CEC's)
- February 8 Initiate revisions of draft Invitation to Bid for CEC sampling
- February 10 Provide suggested language for Invitation to Bid
- February 13 Provide input as to House Bill regarding protesting groundwater permit applications and file Notice of Submission of Annual Audit with Cleveland County District Court
- February 20 Draft resolution regarding possible amendments to District bylaws relating to purchases
- February 21 Draft resolution clarifying authority for General Manager to apply for CEC funding by Clean Water SRF loan with principal forgiveness
- February 22 Initiate draft on addendum to Invitation to Bid based on comments from Oklahoma Water Resources Board staff
- February 24 Virtual meeting with Oklahoma Water Resources Board staff and Kyle Arthur as to need for addendum to Invitation to Bid and issues regarding forms used by the OWRB for Clean Water SRF loans for construction projects
- February 28 Review engineering certification relating to CEC funding and issues relating to sampling project

9. General Manager's Report

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

Mr. Arthur was updating the board on IT support upgrades and Mr. Ballew suggested that the District have a vulnerability threat analysis performed. Mr. Arthur stated he would check into that.

Mr. Arthur announced that Paxus CPA Solutions will be the new firm that will replace the current accountant. They are in Norman. The transition will occur July 1st (beginning of the fiscal year).

Mr. Dean requested Del City be invited to the hosting operator's event.

Mr. Carano asked Mr. Arthur if any wind/tornado damage occurred at the District. Mr. Arthur stated the office was without power a little less than 24 hours, but no damage has been found.

10. President's Report

Ms. Nairn stated she is thrilled that the new generators worked properly during the recent storm.

Ms. Nairn stated that Velocigo, the District's IT support provider, recommended a multi-factor authenticator be added to all comcd.net email accounts. Ms. Metcalf provided contact information and instructions.

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 8:20 P.M.