

MINUTES OF THE REGULAR BOARD MEETING
CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

Thursday, May 4, 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
Secretary Dave Ballew
Edgar O'Rear
Steve Carano

Board Members Absent:

Jann Knotts
Española Bowen

District Legal Counsel Absent:

Dean Couch

Staff Present:

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

Others Present:

Paul Streets
Carrie Evenson
Mark Roberts
Lori Johnson
Jacob Bachelor (Bodie)

Virtually:

Espaniola Bowen
Robert Edwards
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. Treasurer Report- February and March 2023 financials

Ms. Nairn reminded everyone at the last meeting it was decided that financial reports would no longer be an action item.

Mr. Arthur explained a Treasury Bill (T Bill) for \$500,000, was purchased for \$488,928 in October. The mature date was late April. The yield was 4.54%. This T Bill for was reinvested at a purchase price of \$487,790. The mature date will be October, with a yield of 5.044%.

Mr. Arthur reminded the Board that another T Bill for \$350,000 was purchased for \$341,708, in March. It will mature in September, with a 4.89% yield.

Mr. Arthur stated the LPL Financial account is holding steading at a little under \$4 million.

Regarding the current operating budget, Mr. Arthur pointed out the 5100 account codes (maintenance categories) are under budget. These categories are, for the most part, controllable expenses. However, he mentioned he knows of a couple vendors that have yet to invoice the District.

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, March 2, 2023, and corresponding Resolution

Ms. Nairn asked if there were any additions or corrections. Mr. O’Rear stated his name was misspelled on page 3, #3.

Dave Ballew made a motion seconded by Michael Dean to approve the minutes as amended and corresponding Resolution.

Roll call vote:

President Amanda Nairn Yes

Vice President Michael Dean Yes

Treasurer Jann Knotts Absent

Secretary Dave Ballew Yes

Member Edgar O'Rear Yes

Member Espaniola Bowen Absent

Member Steve Carano Yes

Motion Passed

4. A Resolution approving and authorizing the issuance of a promissory note to the Oklahoma Water Resources Board for Clean Water Revolving Fund Project funds in the total aggregate principal amount of not to exceed \$755,000 and authorizing its execution; approving a funding agreement and authorizing its execution; approving and ratifying an application for financial assistance through the Oklahoma Water Resources Board; and containing other provisions relating thereto

Mr. Arthur stated the District applied for a Clean Water State Revolving Fund (CWSRF) principal forgiveness loan, for the purpose of hiring a firm to conduct a sampling program for contaminants of emerging concern (CEC) within the watershed of Lake Thunderbird and within the lake itself. The subcommittee members worked hard to select a firm to recommend to the Board.

Mr. Arthur introduced Jacob (Bodie) Bachelor, Bond Counsel, for the SRF loan. Mr. Bachelor is with Centennial Law Group. Mr. Arthur said it is a requirement to have bond counsel for the loan.

Mr. Bachelor stated the Resolution essentially approves and authorizes the issuance of the promissory note to the Oklahoma Water Resources Board (OWRB) and approves the funding agreement. The note has language about principal forgiveness and references the funding agreement. Mr. Bachelor stated there will be some other ancillary certificates as part of the closing papers, and they will be sent to Mr. Couch, and anyone else who might want to review them, before closing. Kate Burum, the staff attorney at OWRB, in the financial division, will review all the documents.

Lori Johnson, with OWRB financial division, clarified the requirement for bond counsel. Ms. Johnson stated any loan recipient is required to have bond counsel. This is a 100% principal forgiveness loan, but precedence has stated bond counsel be required on all loans to assist with review of language and procedural processes. Mr. Arthur stated the fees associated with obtaining bond counsel are eligible reimbursable expenses.

Mr. O’Rear noted a discrepancy related to administrative costs between the OWRB Letter of Commitment and Section 1 of the draft resolution under consideration for the CEC project. To remedy, Mr. Bachelor proposed adding “OWRB” after the word “nor” in Section 1. Additionally, a new sentence was added at the end of Section 1 that reads “Bond counsel and local counsel fees may be paid from Series 2023 Note proceeds.”.

Edgar O’Rear made a motion seconded by Michael Dean to amend the Resolution as read aloud by Ms. Nairn.

Roll call vote:

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

Motion Passed

Ms. Johnson presented the District with two large foam “checks”: one in the amount of \$755,000, for the Clean Water State Revolving Fund 100% loan, the second in the amount of \$1,409,648 for the American Rescue Plan Act (ARPA) grant. The board and Ms. Johnson posed for pictures.

5. Contract between Central Oklahoma Master Conservancy District and Halff Associates, Inc., for sampling program for Contaminants of Emerging Concern in Lake Thunderbird and watershed, and corresponding Resolution

Ms. Nairn reminded everyone that she appointed a subcommittee, in December, to work with Mr. Arthur on the Request for Proposals (subcommittee: Mr. Ballew, Mr. Carano and Mr. O’Rear). She asked Mr. Ballew to share the process.

Mr. Ballew invited the other subcommittee members to add additional comments as needed. He then stated there were 5 entities that submitted proposals. The five bids ranged from over \$700,000 to the lowest being \$413,102.74. An evaluation sheet was designed with six categories to rate the entities. The five were then narrowed down to three. The three were then invited to the District for a presentation/interview. He also noted that two bids were within a quarter of a % of each other.

Using the evaluation sheet, Halff Associates, Inc. received the highest score. They also happened to be the lowest bid. Mr. Ballew stated that a significant part of the subcommittee’s decision was the focus on the downstream laboratory interface with the bidder.

After detailing more about the evaluation process, Mr. Ballew stated that the subcommittee recommends awarding Halff Associates, Inc. the contract.

Mr. Arthur noted that a 10% change order provision is written in the contract in the event the District may desire to sample for additional analytes or incur other eligible expenses.

Ms. Nairn thanked the subcommittee and Mr. Arthur for their time and effort, and for being good stewards of the loan money. She mentioned that the CWSRF funds were approved for the full amount of available funds (\$755,000), although it was not anticipated that the entire amount would be spent.

Michael Dean made a motion seconded by Edgar O’Rear to approve the contract with Halff Associates, Inc. and authorize the General Manager to approve change orders to the contract with a cumulative maximum of all such orders equal to 10% of the contract amount.

Roll call vote:

President Amanda Nairn Yes

Vice President Michael Dean Yes

Treasurer Jann Knotts Absent

Secretary Dave Ballew Yes

Member Edgar O’Rear Yes

Member Espaniola Bowen Absent

Member Steve Carano Yes

Motion Passed

Ms. Nairn pointed out that a document titled “Scope of Work” was included in the Packet.

6. Authorization for the General Manager to proceed with the procurement or acquisition of goods and services from surplus funds, and corresponding Resolution

Please see document titled “Cash Flow” in the packet.

Mr. Arthur walked through the current and projected cash position of the District. Mr. Arthur stated, at the end of March, the operating account balance was \$1,797,059.00 which includes the T-bills. Regarding future income, the remaining O&M income (April, May, June) will be \$271,139.00 and, additionally, \$460,868.00 was received last week for reimbursement associated with replacement of the plant generators via the American Rescue Plan Act (ARPA) grant.

Concerning future expenses, the remaining budgeted expenses are \$406,868.00. In Mr. Arthur’s opinion, he does not think that the entire amount will be spent. Nonetheless, if it is, the projected carryover would be \$2,122,265.09.

Mr. Arthur then detailed a list of projects that he recommends the District pursue, some from surplus funds and some from ARPA funds, and provided estimated costs for each of those. This particular agenda item is in regard to the surplus fund’s projects.

Mr. Arthur reminded the Board that the District’s Budgeting Policy set an upper limit of \$1.25 million to have as carryover at the exit of a fiscal year. The amount of projected carryover for FYE 2023 is unexpectedly high given the unforeseen windfall of ARPA funds, specifically because of the reimbursement of past expenses for the generator project. As shown on the cash flow handout, projections would still show an estimated carryover of approximately \$370,000 after all the surplus funds and ARPA projects are completed. He noted that while there have been general conversations about possibly crediting some portion of that carryover back to the cities or utilizing it to cover other obligations of the cities (such as loan payments), no decision has been made. Mr. Arthur advised that it seemed most prudent to take a “wait and see” approach regarding the remaining ARPA projects and decide once we have more clarity about the final costs of those and let that inform what the Board chooses to do with any carryover.

After explanation of each of item, and in light of the current cash flow projection, Mr. Arthur recommended moving forward with the three highlighted items under Surplus Funds Usage with amount not to exceed:

1. Order two field pickup trucks \$95,000.00
2. Back-up power for the office \$50,000.00
3. Motor refurbishment \$60,000.00

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

Roll call vote:

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

Ms. Nairn pointed out all the items’ costs fall below the \$100,000 threshold to require bidding.

7. Authorization for the General Manager to develop Invitations to Bid or Request for Proposals for projects to be funded with American Rescue Plan Act (ARPA) funds, and corresponding Resolution

Please see document titled “Cash Flow” in the packet.

Mr. Arthur stated the balance of the available ARPA funds is \$1,353,262.00. However, as mentioned previously, \$460,935.09 has already been received for the generator project.

After a discussion of each item, Mr. Arthur recommended moving forward on developing invitations to bid or requests for proposal for the following from ARPA funds:

1. Replace/rehab pumps

2. Telemetry upgrades
3. Equipment building

Mr. Arthur is of the opinion that the pumps should be an invitation to bid, and the telemetry and equipment building should be requests for proposal (RFP).

Ms. Nairn stated she would like a subcommittee to assist with the RFP processes, and Mr. Ballew volunteered. Ms. Nairn and Mr. Dean will be the other two board members to serve on the subcommittee.

Dave Ballew made a motion seconded by Edgar O'Rear to approve the Resolution.

E. Discussion

7. Legal Counsel's Report

No report

8. General Manager's Report

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

9. President's Report

None

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 8:40 P.M.