

**CENTRAL OKLAHOMA MASTER
CONSERVANCY DISTRICT**
AGENDA FOR REGULAR MEETING
Thursday, February 1, 2024
6:30 P.M.

Kyle Arthur, General Manager
12500 Alameda Dr
Norman, OK 73026



To accommodate the public, including presenters of agenda items, who wish to participate but not to attend the meeting in person, videoconference and teleconference capability is being made available, but videoconference and teleconference connections and quality of connections are outside the control of the District and cannot be assured. Although this accommodation is provided, members of the public including presenters are welcome to attend the meeting in-person.

Microsoft Teams meeting information:

Join on your computer, mobile app, or room device

Meeting ID: 267 540 749 590

Passcode: F4MXFd

Board meeting packet can be found on website: <https://comcd.net>. This agenda was posted in the notice enclosure outside the COMCD office gate at 10:30 AM on Friday, January 26, 2024.

A. Call to order and roll call

B. Statement of compliance with Open Meeting Act

C. Administrative

1. Public comment

This is an opportunity for the public to address the COMCD board. Due to Open Meeting Act regulations, board members are not able to participate in discussion during this comment period. Comments will be accepted from those persons attending in-person and through the virtual meeting option. You are required to sign-up in advance of the meeting in order to be eligible to make comment. You may sign-up by calling the COMCD office at 405-329-5228 during regular business hours (8:00 AM – 4:30 PM) or by contacting the office via email at admin@comcd.net. Public comment sign-up will end at 12:00 PM (noon) CDT on Thursday, February 1, 2024. Any request received after that will not be eligible. When signing up, you must provide your name, city of residence and topic about which you wish to speak. Each

commenter will be limited to three minutes and the entire comment period will not exceed one hour. Eligible commenters will be called to address the board in the order in which their request was received. Given the one-hour time limit, not all commenters are guaranteed the opportunity to speak. Written comments will also be accepted and kept as a matter of record for the meeting. If all commenters have addressed the board prior to the one-hour time limit, the public comment agenda item will be closed, and the balance of the time yielded back to the remainder of the agenda. The President reserves discretion during the meeting to make an adjustment to the public comment schedule.

2. Treasurer Report- December 2023 financials

3. Discussion of initial draft budget FY 2025

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 present at a regular or special meeting. The following items may be discussed, considered, and approved, disapproved, amended, tabled or other action taken:

4. Minutes of the regular board meeting held on Thursday, January 4, 2024, and corresponding Resolution

5. Annual Audit Report for fiscal year ended June 30, 2023, and corresponding Resolution

E. Discussion

6. Legal Counsel's Report

7. General Manager's Report

8. President's 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

Item C.2.

Central Oklahoma Master Conservancy District

Balance Sheet

As of December 31, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1022-BANCFIRST #0014	670,930.10
1023-BANCFIRST #3940	140,412.12
1050-LPL FINANCIAL	0.00
1051-LPL ACCT# -2885 AT MARKET	3,973,916.48
1052-LPL ACCRUED INTEREST	27,452.72
Total 1050-LPL FINANCIAL	4,001,369.20
Total Bank Accounts	\$4,812,711.42
Accounts Receivable	
1900-ASSESSMENTS RECEIVABLE	0.00
1909-NORMAN	
1911-POWER	0.01
Total 1909-NORMAN	0.01
Total 1900-ASSESSMENTS RECEIVABLE	0.01
Total Accounts Receivable	\$0.01
Other Current Assets	
1919-T BILLS	1,313,890.71
1920.1-(BANC1ST)DWSRF ESCROW	24,510.30
1920.2-(BANC1ST)PIPELINE ESCROW	114,883.38
Total Other Current Assets	\$1,453,284.39
Total Current Assets	\$6,265,995.82
Fixed Assets	
2000-WATER SUPPLY ASSETS	
BUILDING AND STRUCTURES	54,811.23
DAM AND RESERVOIR	4,605,177.00
EQUIPMENT AND FENCE	31,209.74
NEW DEL CITY PIPELINE	6,847,316.73
PIPELINE	3,402,225.92
PUMPING PLANT	1,593,951.30
Total 2000-WATER SUPPLY ASSETS	16,534,691.92
2010-TRANSFERRED FROM BUREC	
OFFICE FURNITURE & FIXTURES	1,326.00
SHOP TOOLS	853.00
Total 2010-TRANSFERRED FROM BUREC	2,179.00
2020-OTHER PURCHASED ASSETS	
BUILDINGS,STRUCTURES & ROADS	2,065,006.87
OFFICE EQUIPMENT	110,083.83
PLANT AND DAM EQUIPMENT	5,349,573.81
VEHICLES AND BOATS	683,148.83
Total 2020-OTHER PURCHASED ASSETS	8,207,813.34
2030-ALLOWANCE FOR DEPRECIATION	-10,980,360.77

	TOTAL
Total Fixed Assets	\$13,764,323.49
Other Assets	
DEBT ISSUANCE COSTS	38,905.00
DEFERRED OUTFLOWS-PENSION	85,052.02
DWSRF REPYMTS DUE	
DEL CITY PIPELINE	4,515,527.83
ENERGY PROJECT	300,101.67
Total DWSRF REPYMTS DUE	4,815,629.50
NET PENSION ASSET	724,213.00
Total Other Assets	\$5,663,799.52
TOTAL ASSETS	\$25,694,118.83
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
4000-CURRENT CLAIMS PAYABLE	37,011.08
Total Accounts Payable	\$37,011.08
Credit Cards	
David Carpenter CC 7582	318.98
Derek Underwood CC 8490	1,725.66
James Neyman CC 7590	1,170.12
Kyle Arthur CC 1984	5,123.78
Steve McKinney CC 7608	7.59
Tim Carr CC 2834	2,138.88
Total Credit Cards	\$10,485.01
Other Current Liabilities	
4000.1-DEFERRED PENSION COSTS	423,363.00
4000.2-MISC PENSION PAYABLES	3,717.38
4002-DWSRF INTEREST PAYABLE	
4002.2 DEL CITY PIPELINE	19,714.52
Total 4002-DWSRF INTEREST PAYABLE	19,714.52
4004-DUE BUREC-WATER	-26,579.21
4010-PAYROLL LIABILITIES	0.00
4014-RETIREMENT PLAN PAYABLE	7,052.26
4016-GROUP INSURANCE PAYABLE	527.94
Total 4010-PAYROLL LIABILITIES	7,580.20
4017-COMPENSATED ABSENCES	29,121.11
4200-DEFERRED INFLOWS-PENSION	50,495.00
Total Other Current Liabilities	\$507,412.00
Total Current Liabilities	\$554,908.09
Long-Term Liabilities	
4020-CONTRACTS PAYABLE	
4055-DWSRF LOAN (ENERGY)	
4075-DWSRF LOAN (ENERGY)	284,425.31
Total 4055-DWSRF LOAN (ENERGY)	284,425.31
4080-DWSRF LOAN (PIPELINE)	0.00
4085-DWSRF LOAN (PIPELINE)	4,651,815.79
Total 4080-DWSRF LOAN (PIPELINE)	4,651,815.79

	TOTAL
Total 4020-CONTRACTS PAYABLE	4,936,241.10
Total Long-Term Liabilities	\$4,936,241.10
Total Liabilities	\$5,491,149.19
Equity	
4806.5 UNRESTRICTED SURPLUS	
4807-UNRESTRICTED SURPLUS	15,890,664.25
4808-FYE '23 ADJUSTS-PRIOR YRS	48,684.69
Total 4806.5 UNRESTRICTED SURPLUS	15,939,348.94
Retained Earnings	4,350,595.24
Net Income	-86,974.54
Total Equity	\$20,202,969.64
TOTAL LIABILITIES AND EQUITY	\$25,694,118.83

Note

Prepared by Paxus CPA Group. No assurance provided.

Central Oklahoma Master Conservancy District
Profit and Loss
July - December, 2023

	Nov 2023	Dec 2023	Total Fiscal Year to date
Income			
4900-ASSESSMENTS			
4901-MUNI SHARE, OPERATING COST			
4902-DEL CITY	15,514.25	15,514.25	93,085.50
4903-MIDWEST CITY	39,669.50	39,669.50	238,017.00
4904-NORMAN	43,008.00	43,008.00	258,048.00
Total 4901-MUNI SHARE, OPERATING COST	\$98,191.75	\$98,191.75	\$589,150.50
4905-MUNI SHARE, POWER			
4906-DEL CITY	6,875.31	4,937.93	31,984.51
4907-MIDWEST CITY	29,132.31	16,799.90	155,379.45
4908-NORMAN	24,710.85	10,699.73	164,431.55
Total 4905-MUNI SHARE, POWER	\$60,718.47	\$32,437.56	\$351,795.51
Total 4900-ASSESSMENTS	\$158,910.22	\$130,629.31	\$940,946.01
4921--BOAT DOCK RENT INCOME		1,200.00	3,600.00
4923-INVEST INT DIVS & GAINS	5,202.20	13,596.58	68,491.85
4936-OK DEPARTMENT OF TOURISM & REC (OTRD)			17,171.00
Total Income	\$164,112.42	\$145,425.89	\$1,030,208.86
Gross Profit	\$164,112.42	\$145,425.89	\$1,030,208.86
Expenses			
5000-PERSONNEL			
5000.1-EMPLOYEES' WAGES	43,207.30	50,530.31	271,525.68
5009-EMPLOYEES' RETIREMENT	4,542.73	5,128.36	28,903.47
5011-PAYROLL TAXES	3,525.60	3,379.86	21,745.95
5012-TRAINING, EDUCATION&TRAVEL	234.00	225.00	3,980.39
5013-UNIFORM & BOOTS ALLOWANCE	181.80	-18.83	954.05
5014-EMPLOYEE HEALTH, ETC, INS.	4,545.37	4,545.37	27,272.22
Total 5000-PERSONNEL	\$56,236.80	\$63,790.07	\$354,381.76
5100-MAINTENANCE			
5101-PLANT& DAM R&M, SUPPLIES	2,562.28	15,095.98	19,994.04
5103-VEHICLE OPS, R&M	270.42	2,220.11	7,637.31
5104-BUILDINGS ROADS & GROUNDS		1,772.70	5,660.19
5106-EQUIPMENT R&M, RENTAL	236.09	2,323.84	21,434.94
5109-BOATHOUSE MAINTENANCE	250.00		2,623.76
Total 5100-MAINTENANCE	\$3,318.79	\$21,412.63	\$57,350.24
5200-UTILITIES			
5201-TELEPHONE,PAGING,IT SERVIC	1,829.73	1,916.05	10,885.07
5204-ELECTRICITY	683.50	678.40	4,533.25
5206-WASTE REMOVAL	97.32	97.32	583.92
Total 5200-UTILITIES	\$2,610.55	\$2,691.77	\$16,002.24
5300-INSURANCE AND BONDS			

5301-INSURANCE			3,497.00
Total 5300-INSURANCE AND BONDS	\$ 0.00	\$ 0.00	\$3,497.00
5400-ADMINISTRATIVE EXPENSE			
5401-OFFICE SUPPLIES, MATERIALS	1,025.79	1,823.25	8,673.74
5404-WATERSHED IMPROVEMENT (LTWA)			25,000.00
Total 5400-ADMINISTRATIVE EXPENSE	\$1,025.79	\$1,823.25	\$33,673.74
5500-PROFESSIONAL SERVICES			
5501-LEGAL	1,060.00	400.00	3,660.00
5502-ACCOUNTING AND AUDIT	10,850.00	929.07	19,389.43
5503-CONSULTANTS AND ENGINEERS	1,045.41	500.00	11,599.96
Total 5500-PROFESSIONAL SERVICES	\$12,955.41	\$1,829.07	\$34,649.39
5600-WATER QUALITY SERVICES			
5601-STREAM GAUGING (OWRB)			13,100.00
Total 5600-WATER QUALITY SERVICES	\$ 0.00	\$ 0.00	\$ 13,100.00
5800-PUMPING POWER	60,718.47	32,437.56	351,795.51
Total Expenses	\$136,865.81	\$123,984.35	\$864,449.88
Net Operating Income	\$27,246.61	\$21,441.54	\$165,758.98
Other Income			
4920-OTHER REVENUES			
4921.5-MISCELLANEOUS RECEIPTS	7,649.06		7,649.06
4930-SECURITIES VALUE ADJUSTS	102,070.85	60,975.03	78,802.71
4934-OWRB ARPA FUNDS			161,070.00
4935 INTEREST INCOME	3,507.88	3,222.23	41,753.85
Total 4920-OTHER REVENUES	\$113,227.79	\$64,197.26	\$289,275.62
Total Other Income	\$113,227.79	\$64,197.26	\$289,275.62
Other Expenses			
5825-NON BUDGETED EXPENSES			
5833-CEC PROJECT	981.75		43,370.46
5834-ARPA PROJECT	20.00		163,290.04
5837 MOTOR REFURBISHMENT		9,460.15	20,886.53
5838-OFFICE BACK-UP POWER	372.10	33,226.00	33,738.07
5980 T BILL FEE			75.00
6000-DEPRECIATION	46,774.84	46,774.84	280,649.04
Total 5825-NON BUDGETED EXPENSES	\$48,148.69	\$89,460.99	\$542,009.14
Total Other Expenses	\$48,148.69	\$89,460.99	\$542,009.14
Net Other Income	\$65,079.10	-\$25,263.73	-\$252,733.52
Net Income	\$92,325.71	-\$3,822.19	-\$86,974.54

Note

Prepared by Paxus CPA Group. No assurance provided.

5501-LEGAL	1,180.00	1,458.33	-278.33	80.91%	1,060.00	1,458.33	-398.33	72.69%	400.00	1,458.33	-1,058.33	27.43%	3,650.00	8,749.98	-5,099.98
5502-ACCOUNTING AND AUDIT	1,008.14	4,333.33	-3,325.19	23.26%	10,850.00	4,333.33	6,516.67	250.38%	929.07	4,333.33	-3,404.26	21.44%	19,389.43	25,999.98	-6,610.55
5503-CONSULTANTS AND ENGINEERS	4,875.75	5,833.33	-957.58	83.56%	1,045.41	5,833.33	-4,787.92	17.92%	500.00	5,833.33	-5,333.33	6.57%	11,599.96	34,999.96	-23,400.00
Total 5500-PROFESSIONAL SERVICES	\$7,063.89	\$11,624.99	-\$4,561.10	60.76%	\$12,955.41	\$11,624.99	\$1,330.42	11.44%	\$1,829.07	\$11,624.99	-\$9,795.92	15.73%	\$34,649.39	\$69,749.94	-\$35,100.55
5600-WATER QUALITY SERVICES													13,100.00	12,400.00	700.00
5601-STREAM GAUGING (OWRB)													0.00	19,999.98	-19,999.98
5603-WATER QUALITY MONITORING		3,333.33	-3,333.33	0.00%		3,333.33	-3,333.33	0.00%		3,333.33	-3,333.33	0.00%	0.00	19,999.98	-19,999.98
Total 5600-WATER QUALITY SERVICES	\$ 0.00	\$ 3,333.33	-\$3,333.33	0.00%	\$ 0.00	\$3,333.33	-\$3,333.33	0.00%	\$ 0.00	\$3,333.33	-\$3,333.33	0.00%	\$13,100.00	\$32,999.96	-\$19,299.96
5800-PUMPING POWER	85,673.02	85,673.02	0.00	100.00%	60,718.47	60,718.46	0.01	100.00%	32,437.56	32,437.56	0.00	100.00%	351,795.51	351,795.50	0.01
5950-ASSET PURCHASES & RESERVES		2,500.00	-2,500.00	0.00%		2,500.00	-2,500.00	0.00%		2,500.00	-2,500.00	0.00%	0.00	15,000.00	-15,000.00
Total Expenses	\$158,232.56	\$193,195.65	-\$34,963.09	81.90%	\$136,065.81	\$168,241.09	-\$31,375.28	81.35%	\$123,984.35	\$139,960.19	-\$15,975.84	88.59%	\$864,449.68	\$1,034,331.28	-\$169,881.40
Net Operating Income	\$41,703.74	\$1,685.79	\$40,017.95	2473.84%	\$27,246.61	\$1,685.79	\$25,560.82	1616.25%	\$21,441.54	\$1,685.79	\$19,755.75	1271.80%	\$165,758.96	-\$10,114.26	\$175,873.24
Other Income															
4920-OTHER REVENUES															
4921.5-MISCELLANEOUS RECEIPTS					7,649.06		7,649.06						7,649.06	0.00	7,649.06
4930-SECURITIES VALUE ADJUSTS	-24,985.66		-24,985.66		102,070.85		102,070.85		60,975.03		60,975.03		78,802.71	0.00	78,802.71
4934-OWRB ARPA FUNDS	161,070.00		161,070.00										161,870.00	0.00	161,070.00
4935 INTEREST INCOME	15,161.80		15,161.80		3,507.88		3,507.88						41,753.85	0.00	41,753.85
Total 4920-OTHER REVENUES	\$151,246.14	\$ 0.00	\$151,246.14		\$113,227.79	\$ 0.00	\$113,227.79		\$64,197.26	\$ 0.00	\$64,197.26		\$289,275.62	\$ 0.00	\$289,275.62
Total Other Income	\$151,246.14	\$ 0.00	\$151,246.14		\$113,227.79	\$ 0.00	\$113,227.79		\$64,197.26	\$ 0.00	\$64,197.26		\$289,275.62	\$ 0.00	\$289,275.62
Other Expenses															
5825-NON BUDGETED EXPENSES															
5833-CEC PROJECT	32,056.44	61,672.33	-29,575.89	52.04%	981.75	61,672.33	-60,690.58	1.59%		61,672.33	-61,672.33	0.00%	43,370.46	370,033.98	-326,663.52
5834-ARPA PROJECT	60.00	73,828.91	-73,768.91	0.08%	20.00	73,828.91	-73,808.91	0.03%		73,828.91	-73,828.91	0.00%	163,290.04	442,973.46	-279,683.42
5837 MOTOR REFURBISHMENT	5,883.40	2,605.49	4,277.91	284.18%		2,605.49	-2,605.49	0.00%	9,460.16	2,605.49	6,854.66	363.09%	20,886.53	15,632.94	5,253.59
5838-OFFICE BACK-UP POWER	139.97	4,166.67	-4,026.70	3.36%	372.10	4,166.67	-3,794.57	8.93%	33,226.00	4,166.67	29,059.33	797.42%	33,736.07	25,000.02	8,736.05
5980 T BILL FEE	25.00		25.00										75.00	0.00	75.00
6000-DEPRECIATION	46,774.84		46,774.84		46,774.84		46,774.84		46,774.84		46,774.84		280,649.04	0.00	280,649.04
Total 5825-NON BUDGETED EXPENSES	\$85,979.65	\$142,273.40	-\$56,293.75	60.43%	\$48,148.69	\$142,273.40	-\$94,124.71	33.84%	\$89,460.99	\$142,273.40	-\$52,812.41	62.88%	\$542,009.14	\$853,640.40	-\$311,631.26
Total Other Expenses	\$85,979.65	\$142,273.40	-\$56,293.75	60.43%	\$48,148.69	\$142,273.40	-\$94,124.71	33.84%	\$89,460.99	\$142,273.40	-\$52,812.41	62.88%	\$542,009.14	\$853,640.40	-\$311,631.26
Net Other Income	\$65,266.49	-\$142,273.40	\$207,539.89	-45.87%	\$65,079.10	-\$142,273.40	\$207,352.50	-45.74%	-\$25,263.73	-\$142,273.40	\$117,009.67	17.76%	-\$252,733.52	-\$853,640.40	\$600,906.88
Net Income	\$106,970.23	-\$140,587.61	\$247,557.84	-76.09%	\$92,325.71	-\$140,587.61	\$232,913.32	-65.67%	-\$3,822.19	-\$140,587.61	\$136,765.42	2.72%	-\$86,974.54	-\$863,754.66	\$776,780.12

Note
Prepared by Paxus CPA Group. No assurance provided.

Account Statement

Q4 2023

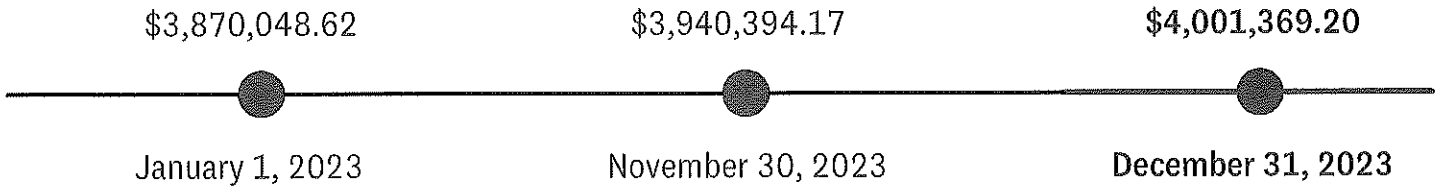
CENTRAL OKLAHOMA
 MASTER CONSERVANCY DISTRICT
 A NON-PROFIT ORGANIZATION
 12500 ALAMEDA DRIVE
 NORMAN OK 73026

Your Financial Advisor:
 ROBERT LOCKARD SR
 310 W MAIN ST
 ARDMORE, OK 73401
 rob.lockard@lpl.com
 (580) 221-5250

INVESTMENT OBJECTIVE



Income with Capital Preservation



Account Summary

COMCD	Current Month 12/01 - 12/31	Quarter to Date 10/01 - 12/31	Year to Date 01/01 - 12/31
Starting Value	\$3,940,394.17	\$3,863,308.98	\$3,870,048.62
Inflows	\$0.00	\$0.00	\$0.00
Outflows	(\$20,053.71)	(\$38,852.49)	(\$135,821.84)
Change in Market Value	\$81,028.74	\$176,912.71	\$267,142.42
Total Ending Value	\$4,001,369.20	\$4,001,369.20	\$4,001,369.20

Account Statement Q4 2023

October 01, 2023-December 31, 2023

Account Ending In (2885)

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Asset Allocation

Asset Allocation data reflects the breakdown of assets in your accounts, including the assets held within any mutual funds and ETFs. The amounts may differ from asset values shown elsewhere in the statement.

Asset Type	Asset Value	%
Cash*	\$53,914.45	1.35%
Equities	\$449,389.77	11.23%
Fixed Income	\$3,268,914.57	81.69%
Other	(\$6,406.19)	(0.16)%
Undefined	\$235,556.60	5.89%
Total	\$4,001,369.20	100.00%

*\$100.24 held as liquid cash and equivalents; the remainder is embedded in investment products such as mutual funds and ETFs.

EXPLORE MORE



Sign in to Account View by scanning the code above.

Gain/Loss Summary

Visit our digital client experience to see more details on realized gains and losses.

	Realized Q4	Realized YTD	Unrealized
Short Term Gain	\$0.00	\$1.76	\$16.45
Short Term Loss	\$0.00	(\$12.61)	(\$4,357.30)
Net Short Term Gain or Loss	\$0.00	(\$10.85)	(\$4,340.85)
Long Term Gain	\$0.00	\$0.00	\$7,927.41
Long Term Loss	\$0.00	(\$7,171.30)	(\$216,048.90)
Net Long Term Gain or Loss	\$0.00	(\$7,171.30)	(\$208,121.49)
Unknown Purchase Date	\$0.00	\$0.00	\$0.00
Total	\$0.00	(\$7,182.15)	(\$212,462.34)

Account Statement Q4 2023

October 01, 2023-December 31, 2023
Account Ending in (2885)

Account Holdings

Cash and Cash Equivalents

Description	Interest/Dividend Paid 12/01 - 12/31	Interest/Dividend Rate ¹	Current Balance
INSURED CASH ACCOUNT²			
M and T Trust Company			\$100.24
TOTAL INSURED CASH ACCOUNT	\$8.58	1.14%	\$100.24
Total Cash and Cash Equivalents			\$100.24

Mutual Funds, Publicly Traded Funds and Interval Funds

Visit our digital client experience to see lot level details, average cost per share, current market values and more.

Security ID / Description	Quantity Price	Market Value	Cost Basis Unrealized G/L	Purchase Cost Investment G/L	Est Annual Income ^a Est 30-Day Yield ^a
ABALX AMERICAN BALANCED CL A _c	12,223.329 \$31.9900	\$391,024.29	\$384,262.17 \$6,762.12	\$350,005.00 \$41,019.29	\$4,882.00 1.25%
BFIAX AMERICAN INFLATION LINKED BOND CL A _c	9,798.380 \$9.1100	\$89,263.24	\$108,449.92 (\$19,186.68)	\$100,005.00 (\$10,741.76)	\$5,499.00 6.16%
MIAQX AMERICAN MULTISECTOR INCOME CL A _c	9,677.230 \$9.3200	\$90,191.78	\$105,564.23 (\$15,372.45)	\$100,010.00 (\$9,818.22)	\$5,174.00 5.75%
CAIBX CAPITAL INCOME BUILDER CL A _c	1,500.114 \$66.2200	\$99,337.54	\$105,184.47 (\$5,846.93)	\$100,010.00 (\$672.46)	\$2,456.00 2.48%
CWGIX CAPITAL WORLD GROWTH & INCOME CL A _c	484.284 \$60.1200	\$29,115.15	\$32,222.14 (\$3,106.99)	\$30,005.68 (\$890.53)	\$520.00 1.80%
EALDX EATON VANCE SHORT DURATION GOVT INCOME CL A _c	32,135.140 \$7.3300	\$235,550.57	\$259,528.86 (\$23,978.29)	\$249,281.61 (\$13,731.04)	\$12,285.00 5.22%
AMECX INCOME FUND OF AMERICA CL A _c	2,118.862 \$23.4400	\$49,666.12	\$55,820.75 (\$6,154.63)	\$50,005.00 (\$338.88)	\$1,394.00 2.82%
AWSHX WASHINGTON MUTUAL INVESTORS CL A _c	1,302.952 \$57.2000	\$74,528.85	\$75,940.27 (\$1,411.42)	\$70,005.00 \$4,523.85	\$1,302.00 1.75%
Total		\$1,058,677.54	\$1,126,972.81 (\$68,295.27)	\$1,049,327.29 \$9,350.25	\$33,512.00

^c Dividends and/or capital gains distributed by this security will be distributed as cash.

¹ Bank Deposit Sweep interest is the current rate. Money Market Sweep dividend is a 30-day yield.

² Bank Deposit Sweep Accounts are FDIC insured, are not obligations of LPL Financial or SIPC, and are not available for margin purposes. See message section for further information.

^a Refer to the statement message titled ESTIMATED ANNUAL INCOME (EAI) AND ESTIMATED YIELD (EY) for information on how this figure is calculated.

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October 01, 2023-December 31, 2023

Account Ending in (2885)

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Account Holdings continued

Fixed Income - Corporate Bonds

Security ID / Description	Quantity Price	Market Value	Cost Basis	Unrealized	Est Annual Income ^a
				Gain/Loss Accrued Interest	Est 30-Day Yield ^a
002824BB5 ABBOTT LABS SR NOTE CPN 2.950% DUE 03/15/25 DTD 03/10/15 FC 09/15/15 CALL 12/15/24 @ 100.000 MOODYS RATING: AA3 S&P RATING: AA-	312,000.000 \$97.9238	\$305,522.25	\$312,761.53	(\$7,239.28) \$2,710.07	\$9,204.00 3.01%
097023BK0 BOEING CO SR NOTE CPN 3.300% DUE 03/01/35 DTD 02/20/15 FC 09/01/15 CALL 09/01/34 @ 100.000 MOODYS RATING: BAA2 S&P RATING: BBB-	44,000.000 \$81.4832	\$35,852.60	\$44,734.83	(\$8,882.23) \$484.00	\$1,452.00 4.05%
097023BR5 BOEING CO SR NOTE CPN 2.250% DUE 06/15/26 DTD 05/18/16 FC 12/15/16 CALL 03/15/26 @ 100.000 MOODYS RATING: BAA2 S&P RATING: BBB-	150,000.000 \$93.4816	\$140,222.40	\$150,424.57	(\$10,202.17) \$150.00	\$3,375.00 2.41%
05565QDM7 BP CAP MKTS PLC GTD NOTE CPN 3.588% DUE 04/14/27 DTD 02/14/17 FC 10/14/17 CALL 01/14/27 @ 100.000 MOODYS RATING: A2 S&P RATING: A-	150,000.000 \$96.1667	\$144,250.05	\$156,976.02	(\$12,725.97) \$1,151.15	\$5,382.00 3.73%
10922NAC7 BRIGHTHOUSE FINL INC SR NOTE CPN 3.700% DUE 06/22/27 DTD 12/22/17 FC 06/22/18 CALL 03/22/27 @ 100.000 MOODYS RATING: BAA3 S&P RATING: BBB+	250,000.000 \$94.4832	\$236,208.00	\$246,119.20	(\$9,911.20) \$231.25	\$9,250.00 3.92%
36966TDN9 GENL ELECTRIC CAP CORP INTERNOTES SURVIVOR OPTION CPN 4.300% DUE 11/15/25 DTD 11/03/11 FC 05/15/12 MOODYS RATING: BAA1 S&P RATING: BBB+	300,000.000 \$97.9196	\$293,758.80	\$300,000.00	(\$6,241.20) \$1,648.33	\$12,900.00 4.39%

Account Holdings continued on next page →

^a Refer to the statement message titled ESTIMATED ANNUAL INCOME (EAI) AND ESTIMATED YIELD (EY) for information on how this figure is calculated.

Account Statement Q4 2023

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Account Ending in (2885)

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Account Holdings continued

Fixed Income - Corporate Bonds continued

Security ID / Description	Quantity Price	Market Value	Cost Basis	Unrealized	Est Annual Income ^a
				Gain/Loss Accrued Interest	Est 30-Day Yield ^a
38143C6D8 GOLDMAN SACHS GROUP INC MEDIUM TERM NOTE NO SURVIVOR OPTION CPN 3.000% DUE 08/15/29 DTD 08/04/16 FC 09/15/16 CALL 08/15/28 @ 100.000 MOODYS RATING: A2 S&P RATING: BBB+	161,000.000 \$87.5401	\$140,939.56	\$161,034.26	(\$20,094.70) \$214.67	\$4,830.00 3.43%
444859BK7 HUMANA INC SR NOTE CPN 3.125% DUE 08/15/29 DTD 08/15/19 FC 02/15/20 CALL 05/15/29 @ 100.000 MOODYS RATING: BAA2 S&P RATING: BBB+	155,000.000 \$92.3023	\$143,068.56	\$161,266.75	(\$18,198.19) \$1,829.86	\$4,843.00 3.39%
594918BB9 MICROSOFT CORP NOTE CPN 2.700% DUE 02/12/25 DTD 02/12/15 FC 08/12/15 CALL 11/12/24 @ 100.000 MOODYS RATING: AAA S&P RATING: AAA	76,000.000 \$97.8427	\$74,360.45	\$75,332.36	(\$971.91) \$792.30	\$2,052.00 2.76%
594918BC7 MICROSOFT CORP NOTE CPN 3.500% DUE 02/12/35 DTD 02/12/15 FC 08/12/15 CALL 08/12/34 @ 100.000 MOODYS RATING: AAA S&P RATING: AAA	165,000.000 \$94.5561	\$156,017.56	\$170,209.07	(\$14,191.51) \$2,229.79	\$5,775.00 3.70%
655664AS9 NORDSTROM INC SR NOTE CPN 4.000% DUE 03/15/27 DTD 03/09/17 FC 09/15/17 CALL 12/15/26 @ 100.000 MOODYS RATING: BA1 S&P RATING: BB+	250,000.000 \$93.2500	\$233,125.00	\$253,474.05	(\$20,349.05) \$2,944.44	\$10,000.00 4.29%
717081DM2 PFIZER INC SR NOTE CPN 3.400% DUE 05/15/24 DTD 05/15/14 FC 11/15/14 MOODYS RATING: A2 S&P RATING: A	132,000.000 \$99.1338	\$130,856.61	\$132,142.70	(\$1,286.09) \$573.47	\$4,488.00 3.43%
718549AB4 PHILLIPS 66 PRTNRS LP SR NOTE CPN 3.605% DUE 02/15/25 DTD 02/23/15 FC 08/15/15 CALL 11/15/24 @ 100.000 MOODYS RATING: WR S&P RATING: NOT RATED	107,000.000 \$98.2877	\$105,167.83	\$106,937.86	(\$1,770.03) \$1,457.22	\$3,857.00 3.67%

Account Holdings continued on next page →

^a Refer to the statement message titled ESTIMATED ANNUAL INCOME (EAI) AND ESTIMATED YIELD (EY) for information on how this figure is calculated.

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Account Ending in (2885)

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Account Holdings continued

Fixed Income - Corporate Bonds continued

Security ID / Description	Quantity Price	Market Value	Cost Basis	Unrealized	Est Annual Income ^a Est 30-Day Yield ^a
				Gain/Loss Accrued Interest	
844741BC1 SOUTHWEST ARLNS CO NOTE CPN 3.000% DUE 11/15/26 DTD 11/04/16 FC 05/15/17 CALL 08/15/26 @ 100.000 MOODYS RATING: BAA1 S&P RATING: BBB	150,000.000 \$95.0451	\$142,567.65	\$150,336.26	(\$7,768.61) \$575.00	\$4,500.00 3.16%
Total		\$2,281,917.32	\$2,421,749.46	(\$139,832.14) \$16,991.55	\$81,908.00

Certificates of Deposit

Security ID / Description	Quantity Price	Market Value	Cost Basis	Unrealized	Est Annual Income ^a Est 30-Day Yield ^a
				Gain/Loss Accrued Interest	
028402CA1 AMERICAN NATL BANK OMAHA NE CD FDIC #19300 CLLB CPN 4.500% DUE 01/13/26 DTD 01/13/23 FC 02/13/23 CALL 02/13/24 @ 100.000	165,000.000 \$99.2217	\$163,715.80	\$165,000.18	(\$1,284.38) \$386.50	\$7,425.00 4.54%
06740KRW9 BARCLAYS BANK DE WILMINGTON DE CD FDIC #57203 IAM CPN 5.100% DUE 07/28/25 DTD 07/26/23 FC 01/26/24	50,000.000 \$98.6152	\$49,307.60	\$50,003.97	(\$696.37) \$1,110.83	\$2,550.00 5.17%
69506YVW6 PACIFIC WESTERN BANK BEVERLY HILLS CA CD FDIC #24045 CLLB CPN 4.650% DUE 02/09/26 DTD 02/08/23 FC 08/08/23 CALL 02/08/24 @ 100.000	200,000.000 \$99.3131	\$198,626.20	\$200,001.42	(\$1,375.22) \$3,720.00	\$9,300.00 4.68%
795451CP6 SALLIE MAE BANK SALT LAKE CITY UT CD FDIC #58177 CPN 4.400% DUE 01/12/26 DTD 01/11/23 FC 07/11/23	250,000.000 \$99.6098	\$249,024.50	\$250,003.46	(\$978.96) \$5,243.84	\$11,000.00 4.42%
Total		\$660,674.10	\$665,009.03	(\$4,334.93) \$10,461.17	\$30,275.00

^a Refer to the statement message titled ESTIMATED ANNUAL INCOME (EAI) AND ESTIMATED YIELD (EY) for information on how this figure is calculated.

Account Statement Q4 2023

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Account Ending In (2885)

Account Holdings continued

Total Account Holdings

	Market Value	Cost Basis	Est Annual Income
		Unrealized G/L	
	\$4,001,369.20	\$4,213,831.54 (\$212,462.34)	\$145,695.00

Activity Summary

	Current Month 12/01 - 12/31	Quarter to Date 10/01 - 12/31	Year to Date 01/01 - 12/31
Additions			
Securities Sold	\$0.00	\$0.00	\$244,212.55
Cash Inflows	\$0.00	\$0.00	\$0.00
Dividends	\$10,588.76	\$13,706.65	\$35,234.93
Interest	\$7,333.89	\$23,025.21	\$102,261.81
Capital Gains and Distributions	\$2,139.68	\$2,139.68	\$3,891.50
Other Activity	\$0.00	\$0.00	\$0.00
Total Additions	\$20,062.33	\$38,871.54	\$385,600.79
Subtractions			
Securities Purchased	\$0.00	\$0.00	(\$665,020.00)
Cash Outflows	(\$20,053.71)	(\$38,852.49)	(\$135,821.84)
Reinvestments	\$0.00	\$0.00	(\$1,500.16)
Fees/Expenses	\$0.00	\$0.00	\$0.00
Other Activity	\$0.00	\$0.00	\$0.00
Total Subtractions	(\$20,053.71)	(\$38,852.49)	(\$802,342.00)

Account Statement Q4 2023

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Account Ending In (2885)

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Activity Details

Income and Distributions and Reinvestments

Date	Security ID / Description	Transaction	Amount
10/02/2023	MIAQX AMERICAN MULTISECTOR INCOME CL A 100223 9,677.23000	Cash Dividend	\$439.29
10/02/2023	EALDX EATON VANCE SHORT DURATION GOVT INCOME CL A 092923 32,135.14000 AS OF 09/29/23	Cash Dividend	\$1,059.14
10/13/2023	028402CA1 AMERICAN NATL BANK OMAHA NE CD FDIC #19300 CLLB CPN 4.500% DUE 01/13/26 DTD 01/13/23 FC 02/13/23 101323 165,000	Interest	\$610.27
10/16/2023	05565QDM7 BP CAP MKTS PLC GTD NOTE CPN 3.588% DUE 04/14/27 DTD 02/14/17 FC 10/14/17 CALL 01/14/27 @ 100.000 101423 150,000 AS OF 10/14/23	Interest	\$2,691.00
10/16/2023	38143C6D8 GOLDMAN SACHS GROUP INC MEDIUM TERM NOTE NO SURVIVOR OPTION CPN 3.000% DUE 08/15/29 DTD 08/04/16 FC 09/15/16 101523 161,000 AS OF 10/15/23	Interest	\$402.50
10/31/2023	09999227 INSURED CASH ACCOUNT 103123 84	Interest	\$3.22
11/01/2023	MIAQX AMERICAN MULTISECTOR INCOME CL A 110123 9,677.23000	Cash Dividend	\$475.89
11/01/2023	EALDX EATON VANCE SHORT DURATION GOVT INCOME CL A 103123 32,135.14000 AS OF 10/31/23	Cash Dividend	\$1,143.57
11/13/2023	028402CA1 AMERICAN NATL BANK OMAHA NE CD FDIC #19300 CLLB CPN 4.500% DUE 01/13/26 DTD 01/13/23 FC 02/13/23 111323 165,000	Interest	\$630.62
11/15/2023	38143C6D8 GOLDMAN SACHS GROUP INC MEDIUM TERM NOTE NO SURVIVOR OPTION CPN 3.000% DUE 08/15/29 DTD 08/04/16 FC 09/15/16 111523 161,000	Interest	\$402.50
11/15/2023	36966TDN9 GENL ELECTRIC CAP CORP INTERNOTES SURVIVOR OPTION CPN 4.300% DUE 11/15/25 DTD 11/03/11 FC 05/15/12 111523 300,000	Interest	\$6,450.00
11/15/2023	717081DM2 PFIZER INC SR NOTE CPN 3.400% DUE 05/15/24 DTD 05/15/14 FC 11/15/14 111523 132,000	Interest	\$2,244.00

Activity Details continued on next page →

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Account Ending in (2885)

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Activity Details continued

Income and Distributions and Reinvestments continued

Date	Security ID / Description	Transaction	Amount
11/15/2023	844741BC1 SOUTHWEST ARLNS CO NOTE CPN 3.000% DUE 11/15/26 DTD 11/04/16 FC 05/15/17 CALL 08/15/26 @ 100.000 111523 150,000	Interest	\$2,250.00
11/29/2023	INT 11/15-11/15 @ 1.150% 01 DAY AVG BAL= 402	Credit Int	\$0.01
11/30/2023	09999227 INSURED CASH ACCOUNT 113023 91	Interest	\$7.20
12/01/2023	MIAQX AMERICAN MULTISECTOR INCOME CL A 120123 9,677.23000	Cash Dividend	\$459.69
12/01/2023	EALDX EATON VANCE SHORT DURATION GOVT INCOME CL A 113023 32,135.14000 AS OF 11/30/23	Cash Dividend	\$1,141.02
12/13/2023	ABALX AMERICAN BALANCED CL A 121323 12,223.32900	Cash Dividend	\$5,561.61
12/13/2023	CWGIX CAPITAL WORLD GROWTH & INCOME CL A 121323 484.28400	Long-Term Capital Gain	\$457.21
12/13/2023	CWGIX CAPITAL WORLD GROWTH & INCOME CL A 121323 484.28400	Cash Dividend	\$174.35
12/13/2023	AMECX INCOME FUND OF AMERICA CL A 121323 2,118.86200	Cash Dividend	\$735.25
12/13/2023	028402CA1 AMERICAN NATL BANK OMAHA NE CD FDIC #19300 CLLB CPN 4.500% DUE 01/13/26 DTD 01/13/23 FC 02/13/23 121323 165,000	Interest	\$610.27
12/15/2023	097023BR5 BOEING CO SR NOTE CPN 2.250% DUE 06/15/26 DTD 05/18/16 FC 12/15/16 CALL 03/15/26 @ 100.000 121523 150,000	Interest	\$1,687.50
12/15/2023	38143C6D8 GOLDMAN SACHS GROUP INC MEDIUM TERM NOTE NO SURVIVOR OPTION CPN 3.000% DUE 08/15/29 DTD 08/04/16 FC 09/15/16 121523 161,000	Interest	\$402.50
12/18/2023	CAIBX CAPITAL INCOME BUILDER CL A 121823 1,500.11400	Long-Term Capital Gain	\$109.81
12/18/2023	CAIBX CAPITAL INCOME BUILDER CL A 121823 1,500.11400	Cash Dividend	\$1,380.11

Activity Details continued on next page →

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Account Ending in (2885)

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Activity Details continued

Income and Distributions and Reinvestments continued

Date	Security ID / Description	Transaction	Amount
12/18/2023	AWSHX WASHINGTON MUTUAL INVESTORS CL A 121823 1,302.95200	Long-Term Capital Gain	\$1,572.66
12/18/2023	AWSHX WASHINGTON MUTUAL INVESTORS CL A 121823 1,302.95200	Cash Dividend	\$446.92
12/19/2023	BFIAX AMERICAN INFLATION LINKED BOND CL A 121923 9,798.38000	Cash Dividend	\$689.81
12/22/2023	10922NAC7 BRIGHTHOUSE FINL INC SR NOTE CPN 3.700% DUE 06/22/27 DTD 12/22/17 FC 06/22/18 CALL 03/22/27 @ 100.000 122223 250,000	Interest	\$4,625.00
12/28/2023	INT 12/15-12/17 @ 1.150% 03 DAY AVG BAL= 402	Credit Int	\$0.04
12/29/2023	09999227 INSURED CASH ACCOUNT 122923 100	Interest	\$8.58

Inflows and Outflows

Date	Transaction	Description	Quantity	Amount
10/02/2023	Sweep (Deposit) ³	INSURED CASH ACCOUNT		\$1,498.43
10/13/2023	Sweep (Deposit) ³	INSURED CASH ACCOUNT		\$610.27
10/16/2023	Sweep (Deposit) ³	INSURED CASH ACCOUNT		\$2,691.00
10/17/2023	Sweep (Deposit) ³	INSURED CASH ACCOUNT		\$402.50
10/31/2023	Sweep (Interest Deposit) ³	INSURED CASH ACCOUNT		\$3.22
10/31/2023	Sweep (Withdrawal) ³	INSURED CASH ACCOUNT		(\$5,202.20)
10/31/2023	ACH Funds	INCOME DISTRIBUTION TRACE # 021000010001753		(\$5,202.20)
11/01/2023	Sweep (Deposit) ³	INSURED CASH ACCOUNT		\$1,619.46
11/13/2023	Sweep (Deposit) ³	INSURED CASH ACCOUNT		\$630.62
11/15/2023	Sweep (Deposit) ³	INSURED CASH ACCOUNT		\$10,944.00
11/16/2023	Sweep (Deposit) ³	INSURED CASH ACCOUNT		\$402.50
11/30/2023	Sweep (Interest Deposit) ³	INSURED CASH ACCOUNT		\$7.20

Activity Details continued on next page →

³ Bank Deposit and Money Market Sweep transactions reflect the net of all transfers of free cash balance to and from your sweep on the date referenced.

Account Statement Q4 2023

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Account Ending in (2885)

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Activity Details continued

Inflows and Outflows continued

Date	Transaction	Description	Quantity	Amount
11/30/2023	Sweep (Withdrawal) ³	INSURED CASH ACCOUNT		(\$13,596.57)
11/30/2023	ACH Funds	INCOME DISTRIBUTION TRACE # 021000010002469		(\$13,596.58)
12/01/2023	Sweep (Deposit) ³	INSURED CASH ACCOUNT		\$1,600.71
12/13/2023	Sweep (Deposit) ³	INSURED CASH ACCOUNT		\$7,538.69
12/15/2023	Sweep (Deposit) ³	INSURED CASH ACCOUNT		\$1,687.50
12/18/2023	Sweep (Deposit) ³	INSURED CASH ACCOUNT		\$3,912.00
12/19/2023	Sweep (Deposit) ³	INSURED CASH ACCOUNT		\$689.81
12/22/2023	Sweep (Deposit) ³	INSURED CASH ACCOUNT		\$4,625.00
12/29/2023	Sweep (Interest Deposit) ³	INSURED CASH ACCOUNT		\$8.58
12/29/2023	Sweep (Withdrawal) ³	INSURED CASH ACCOUNT		(\$20,053.67)
12/29/2023	ACH Funds	INCOME DISTRIBUTION TRACE # 021000010002806		(\$20,053.71)

Dividends, Interest, Capital Gains, and Other Distributions Not Yet Paid

(Transactions are not final and are subject to change)

Closing Date	Transaction Type	Description/Security ID	Record Date	Quantity Rate	Amount of Payment
01/13/2024	Interest	AMERICAN NATL BANK OMAHA NE CD FDIC #19300 CLLB CPN 4.500% DUE 01/13/26 DTD 01/13/23 FC 02/13/23 CALL 02/13/24 @ 100.000 028402CA1	12/29/2023	165,000.000 \$3.82	\$630.62
01/15/2024	Interest	GOLDMAN SACHS GROUP INC MEDIUM TERM NOTE NO SURVIVOR OPTION CPN 3.000% DUE 08/15/29 DTD 08/04/16 FC 09/15/16 CALL 08/15/28 @ 100.000 38143C6D8	12/30/2023	161,000.000 \$2.50	\$402.50
01/11/2024	Interest	SALLIE MAE BANK SALT LAKE CITY UT CD FDIC #58177 CPN 4.400% DUE 01/12/26 DTD 01/11/23 FC 07/11/23 795451CP6	12/27/2023	250,000.000 \$22.18	\$5,545.21

³ Bank Deposit and Money Market Sweep transactions reflect the net of all transfers of free cash balance to and from your sweep on the date referenced.

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Account Ending in (2885)

Documents

Fund Documents

11/21/2023	EALDX EV SHORT DURATION GOVERNMENT INC FD A	Section 19a
11/21/2023	EALDX EV SHORT DURATION GOVERNMENT INC FD A	Section 19a
12/13/2023	EALDX EV SHORT DURATION GOVERNMENT INC FD A	Section 19a
12/28/2023	EALDX EV SHORT DURATION GOVERNMENT INC FD A	Annual Report

SEE UPCOMING
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DOCUMENTS



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Messages

Messages From LPL Financial

IMPORTANT INFORMATION ABOUT PURCHASE COST AND INVESTMENT GAIN/LOSS

When Purchase Cost is shown on an account it equals the Cost Basis of Equities and Mutual Funds acquired since your account was established with LPL, less any reinvested dividends and interest. The associated Investment Gain/Loss equals the current market value of all shares owned less the purchase cost.

YEAR-END ACCOUNT STATEMENTS/MULTIPLE FORM 1099s

This statement reflects only business conducted with your financial professional during the time LPL Financial acted as broker-dealer. If you transferred an account to LPL Financial from another broker-dealer during 2023 your previous firm(s) should send you one or more Form 1099s summarizing any reportable account activity that took place before your account was transferred to LPL Financial. If your account was converted from Pershing or a different clearing firm during 2023, you may also receive one or more Form 1099s from those clearing firms. Please be sure to include all Form 1099s when completing your tax returns.

POLICY FOR BENEFICIARY ACCOUNTS

Beneficiaries are required to open an account to receive any securities or cash from a deceased client's account. LPL generally will divide all securities and cash proportionately among the designated beneficiaries based on the allocations indicated by the account holder. However, this policy and procedure address specific situations, such as the treatment of securities remaining after the proportionate division of assets. You may visit lpl.com to learn more.

SETTLEMENT FEE

LPL passes through certain regulatory fees incurred by LPL as a result of executing the transaction on your behalf. This includes fees charged under Section 31 of the Securities Exchange Act for sell transactions in equities and options.

NON-TRANSFERABLE SECURITIES THAT ARE WORTHLESS

As part of our continuing effort to provide exceptional service, please be advised that LPL Financial will remove any non-transferable securities that are worthless from customer accounts. Your account may or may not be affected. Should you have any questions or concerns, please contact your financial professional.

ESTIMATED ANNUAL INCOME (EAI) AND ESTIMATED YIELD (EY)

EAI is calculated by taking the indicated annualized dividend and multiplying by the number of shares owned. EY is calculated by taking the EAI and dividing by the aggregate value of the shares owned. If no dividend information is available, no EAI or EY numbers will be generated. EAI and EY for certain types of securities could include a return of principal or capital gains in which case the EAI and EY would be overstated. EAI and EY are estimates and the actual income and yield might be lower or higher than the estimated amounts. Additionally the actual dividend or yield may vary depending on the security issuer's approval of paying the dividends. EY reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate.

ICA INFORMATION

Your balances in the Insured Cash Account (ICA) Program are allocated to each depository institution on the Priority Bank List in increments of \$246,500 for individual and trust accounts and \$493,000 for joint accounts. As always, you should review your cash positions with various depository institutions to determine whether your cash is within the FDIC insurance coverage limits. For more information about FDIC insurance limits, please contact your financial professional or go to www.fdic.gov

Please be advised that the Priority Bank List for the ICA Program may change from time to time. These changes include the order of priority in which banks are listed as well as the addition and removal of banks. Please be sure to consult your financial professional or LPL.com periodically throughout the month for recent updates and information regarding how these changes may impact your account.

NOTICE OF AMENDMENT TO ACCOUNT AGREEMENT

We are writing to notify you of certain changes to your Account Agreement that will take effect February 15, 2024. Your Account Agreement allows us to amend the agreement upon notice to you of the changes. Your agreement will be amended to reflect changes to the "Account Handling, Term and Termination" section, including describing the options available upon termination and liquidation of accounts.

The "Extraordinary Events" section of your Account Agreement will be updated to clarify that LPL's limitation of liability will not apply to the extent losses are otherwise covered by the LPL Cyber Fraud Guarantee, which can be viewed at lpl.com. If you have any questions about these changes, please discuss them with your advisor.

Your Account Agreement will be updated to include additional information about the contours of certain alternative investments, and the risks associated with such investments.

To view the complete Account Agreement, please search "Account Agreements and Account Packets" on lpl.com.

Item C.3.

Overall Cash Flow

Projected Cash Balance FYE 2024	\$2,047,137.00
Maximum Carryover	\$1,250,000.00
Surplus Funds Balance FYE 2024	<u>\$797,137.00</u>

Surplus Funds Projects	\$558,464.00
Surplus Funds Remaining	<u>\$238,673.00</u>

ARPA Projects	\$837,503.00
Remaining ARPA Funds	\$731,257.00
Balance	<u>-\$106,246.00</u>

Surplus total projected	\$132,427.00
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Income through FYE 2024

Op Acct Balance 12/31	\$811,342.00
Remaining O&M Income	\$625,500.00
Remaining LPL Interest	\$56,500.00
T-Bill Balances	\$1,313,891.00
T-Bill Interest Remaining	\$36,034.00
CEC Reimbursement	\$43,370.00

Expenses through FYE 24

Remaining Budget Expenses	\$807,000.00
Outstanding Power	<u>\$32,500.00</u>

Projected Cash Balance FYE 24	\$2,047,137.00
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Surplus Funds Usage

Cleanout of forebay	\$200,000.00	likely this year
Field truck	\$50,225.00	already approved
Office back-up power	\$7,860.00	already approved
Old office demolition	\$10,000.00	specific Board action
Motor refurbishment	\$10,379.00	already approved
Office Flooring replacement	\$15,000.00	2025 budget
Equipment building labor	\$40,000.00	Bid and contract
VFD replacement	\$225,000.00	2025 budget

Total Surplus Usage	\$558,464.00
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ARPA Projects

Replace/rehab pumps	\$177,503.00	already approved
Telemetry upgrades	\$500,000.00	Bid and contract
Equip Building Materials	\$160,000.00	Bid and contract

ARPA Projects Remaining	\$837,503.00
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Remaining ARPA Reimbursement	\$731,257.00
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COMCD BUDGET for FY 2025		FY 2024	FY 2025	FY 2026	FY 2027
PERSONNEL:					
5001	Salary and Wages	\$516,462	\$543,148	\$569,992	598,168
5009	Employee Retirement	\$59,291	\$73,753	\$76,947	\$80,297
5010	Directors Expenses	\$5,000	\$5,000	\$5,000	\$5,000
5011	Payroll Taxes - Social Security, Medicare	\$40,969	\$43,053	\$45,203	\$47,455
5012	Training, Education, Travel, Meals, etc.	\$11,500	\$11,500	\$12,000	\$12,500
5013	Uniforms & Boots Allowance	\$3,100	\$3,300	\$3,400	\$3,500
5014	Employee's Health Insurance	\$55,753	\$58,758	\$61,575	\$64,531
5015	Workers Compensation	\$15,000	\$12,500	\$13,125	\$13,781
5017	Service Longevity Awards	\$7,703	\$8,808	\$10,064	\$11,333
	Sub Total	\$714,778	\$759,819	\$797,306	836,565
MAINTENANCE:					
5101	Plant, Dam, Pipeline & Shop R & M	\$128,000	\$134,400	\$141,120	\$148,176
5103	Vehicles: R & M	\$25,000	\$25,000	\$26,250	\$27,563
5104	Buildings, Roads & Grounds R & M	\$17,500	\$18,375	\$19,294	\$20,258
5106	Equipment R & M; & Rental	\$27,500	\$28,875	\$30,319	\$31,835
5109	Boathouse Maintenance	\$7,200	\$9,600	\$9,600	\$9,600
	Sub Total	\$198,000	\$206,650	\$216,983	\$227,832
UTILITIES					
5201	Telephone Service/ IT Service	\$28,000	\$25,000	\$26,250	\$27,563
5204	Electricity	\$8,500	\$8,925	\$9,371	\$9,840
5205	Propane	\$4,200	\$4,410	\$4,631	\$4,862
5206	Waste Removal	\$1,298	\$1,363	\$1,431	\$1,502
	Sub Total	\$41,998	\$39,698	\$41,683	\$43,767
INSURANCE & BONDS					
5301	Insurance	\$83,000	\$87,150	\$91,508	\$96,083
5304	Treasury & Employee Bond	\$250	\$250	\$250	\$250
	Sub Total	\$83,250	\$87,400	\$91,758	\$96,333

COMCD BUDGET for FY 2025		FY 2024	FY 2025	FY 2026	FY 2027
ADMINISTRATION EXPENSE					
5401	Office Supplies, Materials & Equipment	\$18,375	\$19,294	\$20,258	\$21,271
	Watershed Improvement (LTWA)	\$25,000	\$0	\$25,000	\$25,000
	Sub Total	\$43,375	\$19,294	\$45,258	\$46,271
PROFESSIONAL SERVICES					
5501	Legal	\$17,500	\$13,000	\$13,650	\$14,333
5502	Accounting & Annual Audit	\$52,000	\$43,000	\$45,150	\$47,408
5503	Consultants & Engineers	\$70,000	\$120,000	\$95,000	\$99,750
	Sub Total	\$139,500	\$176,000	\$153,800	\$161,490
WATER QUALITY SERVICES					
5601	OWRB/USGS.(Stream Gauge)	\$12,400	\$13,100	\$13,100	\$13,100
5603	WQ monitoring - OWRB	\$40,000	\$0	\$70,000	\$70,000
	Sub Total	\$52,400	\$13,100	\$83,100	\$83,100
OPERATION AND MAINTENANCE SUB-TOTAL		\$1,303,301	\$1,301,960	\$1,429,887	1,495,358
	Less Investment Account Earnings	\$125,000	\$125,000	\$125,000	\$125,000
O&M TOTAL		\$1,178,301	\$1,176,960	\$1,304,887	\$1,370,358
NONASSESSED EXPENSES					
	Variable Frequency Drive Replacement Project		\$225,000		
	Office Flooring Replacement		\$15,000		
Other Assessments					
	Pumping Power	\$570,000	\$650,000	\$650,000	\$650,000
	Energy Project SRF Loan	\$96,603	\$96,221	\$95,872	\$23,928
	Del City Pipeline Project SRF Loan	\$442,194	\$441,822	\$441,719	\$441,614

COMCD BUDGET for FY 2025	FY 2024	FY 2025	FY 2026	FY 2027
Total Assessments	\$2,287,098	\$2,365,002	\$2,492,478	\$2,485,900

COMCD BUDGET for FY 2025		FY 2024	FY 2025	FY 2026	FY 2027
Norman Assessments					
	O&M	\$516,096	\$515,508	\$571,541	\$600,217
	Pumping Power	\$211,470	\$241,150	\$241,150	\$241,150
	Energy Project Loan Payments	\$70,886	\$70,605	\$70,348	\$17,558
	Del City Pipeline Project Loan Payments	\$193,681	\$193,518	\$193,473	\$193,427
	Total	\$992,132	\$1,020,781	\$1,076,512	\$1,052,351
Midwest City Assessments					
	O&M	\$476,034	\$475,491	\$527,174	\$553,625
	Pumping Power	\$287,280	\$327,600	\$327,600	\$327,600
	Del City Pipeline Project Loan Payments	\$178,646	\$178,496	\$178,454	\$178,412
	Total	\$941,960	\$981,587	\$1,033,229	\$1,059,637
Del City Assessments					
	O&M	\$186,171	\$185,961	\$206,172	\$216,517
	Pumping Power	\$71,250	\$81,250	\$81,250	\$81,250
	Energy Project Loan Payments	\$25,717	\$25,616	\$25,524	\$6,370
	Del City Pipeline Project Loan Payments	\$69,867	\$69,808	\$69,792	\$69,775
	Total	\$353,005	\$362,635	\$382,737	\$373,912

Item D.4.

MINUTES OF THE REGULAR BOARD MEETING
CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

Thursday, January 4, 2024

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
Cole Niblett
Carrie Evenson

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- October and November 2023 financials

Ms. Knotts stated there are two months of financials due to the last meeting being cancelled. She reviewed both months and the District is in a good financial position. Ms. Knotts noted in the October profit and loss portion, 3 months are shown and November profit and loss portion, two months are shown. The new provider is willing to format the reports to best suit the District's needs.

Ms. Knotts stated a virtual meeting is planned with Finely & Cook, Paxus, herself, and Mr. Arthur to discuss annual adjustments (done yearly in accordance with generally accepted accounting principles).

Ms. Knotts then gave a brief overview of November 2023 statements.

Ms. Nairn asked about the Board's preference on the profit and loss portion of the report. Everyone agreed they would like to see three months displayed.

Mr. Dean said he would like to see a header or footer from the accounting firm stating they produced the report. Mr. Arthur said this is a valid point and would request that.

Ms. Knotts asked if there were any questions. Mr. Arthur stated that a Treasury bill (T-Bill) is coming due on January 18th, and he will be getting yield numbers shortly. Ms. Knotts mentioned in November the Federal Reserve met, and inflation was decreasing, and a decision was made not to raise rates, resulting in positive impacts in the Market for stocks and bonds.

Ms. Knotts asked the board to look at the November Balance Sheet. On the last page of the budget portion of the report, account 4930 (securities value adjusts) had been tracking negative security value adjustments for several months. In November the total change in value of assets is a positive \$102,000, which means year to date the District is almost \$18,000 in positive adjustments.

Ms. Knotts explained the asset allocation summary on the LPL statement.

Mr. Arthur stated the District has a bond that will mature in May.

Mr. Dean stated in reviewing the District's bond portfolio you will find very few bonds that are above 4%. Mr. Dean suggested giving Mr. Arthur permission to invest more in T-Bills with return rates of 4% or better. Ms. Knotts clarified that the funds would be from either the maturing T-bill or the operating account, and not the LPL Financial account. Ms. Nairn agreed that Mr. Arthur and Ms. Knotts could decide as they see fit.

Mr. Dean mentioned that certificate of deposits (CD) could possibly fail, due to the Federal Deposit Insurance Corporation (FDIC) only insuring actual deposit accounts. Mr. Dean voiced his opinion to invest in T-Bills versus CDs. Ms. Knotts stated she does not think CDs are excluded from the FDIC insurance guidelines, and that she would verify.

Mr. Ballew would like to have a report that shows the weighted average return on the fixed income assets, to use as a guide to make informed decisions given that yield curves have been inverted. Ms. Knotts stated she would put something together. Mr. Arthur stated he would be happy to assist Ms. Knotts in

making an Excel spreadsheet. Ms. Nairn said maybe this information could be a part of the Treasurer Report each month.

Ms. Nairn asked if there were any other questions or comments on the financials, hearing none she moved to the Action portion of the meeting.

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 ing 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, November 2, 2023, and corresponding Resolution

Ms. Nairn asked if there were any questions, comments, or edits. Mr. Ballew mentioned he was thankful for the presentation by the Oklahoma Tourism and Recreation Department. He said it was very informative.

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

Ms. Nairn stated if the Board wanted a particular speaker, the District would try to accommodate that request.

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 Yes
Member Steve Carano Yes

Motion Passed

4. Authorization for the General Manager to develop and solicit Invitations to Bid for new equipment buildings, and corresponding Resolution

Ms. Nairn reminded everyone that several months ago Mr. Carr gave a presentation on the construction of a new equipment building. Ms. Nairn stated there have been some general inquiries about where the District is in that process. Ms. Nairn reminded the Board that the District has been given the opportunity to use American Rescue Plan Act (ARPA) funds.

Mr. Arthur stated the COMCD Staff had a meeting and discussed the new building or buildings. Mr. Arthur would like to have the Board's input and thoughts as well. He then made a presentation on the proposed location and footprints of the proposed structures.

After the presentation several options were discussed, which included moving the primary equipment building location back to the northeast some distance to provide more space between the existing equipment building and the new one, shifting the primary building to the south and moving one or more of the storage containers, increasing the height of the building to 16' and the garage doors to 12', evaluate plumbing the building for water and sewer, adding insulation, and abutting the primary building to the carport/lean-to structure. Mr. Arthur said he would consider these changes as he drafted the bid specs.

Steve Carano made a motion seconded by Edward O'Rear to approve the Resolution to authorize the General Manager to develop and solicit Invitations to Bid for new equipment buildings.

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

5. Authorization for the General Manager to proceed with appropriate actions, including the solicitation of Invitations to bid, if necessary, to develop firm cost estimates for cleanout of the Relift Forebay, and corresponding Resolution

Ms. Nairn stated the District is responsible for the cleanout of the Relift Forebay.

Mr. Arthur gave a brief overview and description of the purpose of the forebay, including the location. He then presented some of the current challenges with the clean-out project including layout of the site, the volume of sediment and the need to work around the two cities' schedules during downtime.

Mr. Arthur stated that he researched and found that the last time the forebay was cleaned was February 2007. Mr. Arthur noted that, prior to that, cleanout was performed every 1 to 2 years. Mr. Arthur stated now the task is not a simple, routine matter due to the amount of sediment. Mr. Arthur informed the board that in the future this task will be yearly. Ms. Nairn stated there is no excuse for not cleaning the tanks annually and the District will not ignore this again.

In order to better understand options and costs for cleanout and disposal, Mr. Arthur has met with six companies. Interestingly, each company had different ideas of how to perform the task. But primarily, it involved vacuum trucks.

Mr. Arthur stated that COMCD staff took the Jon boat and did a rough estimate of the depth of the sediment. Best guess is approximately 1 foot, which equates to approximately 60 thousand gallons of sediment.

Several ideas were exchanged, including possibly trucking the sediment to Midwest City's sludge field. Mr. O'Rear mentioned that when the forebay is empty, it may be beneficial to have a foundation inspection performed. Mr. Dean, and Mr. Ballew suggested utilizing a skid-steer in the forebay itself. Mr. Arthur stated he was hesitant to do that for fear of cracking the concrete floor of the forebay. Mr. O'Rear suggested talking to the Corp of Engineers who may have experience with similar circumstances. Mr. Dean recommended checking the cleanout valve to ensure it's working properly once the forebay is cleaned. Mr. Arthur concurred.

Further discussion was held regarding the approach of utilizing different services individually to coordinate the cleanout effort or to have one "general contractor". Mr. Arthur said his inclination, right now, is to request quotes or bids for one company to coordinate the entire project.

Dave Ballew 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

E. Discussion

7. Legal Counsel's Report

- Nov 2 Attend monthly meeting of Board of Directors
- Dec 13 Conference with Assistant General Counsel Richard Cole at Oklahoma Water Resources Board about District's term permit application to use water from flood pool and forward copy of Bureau of Reclamation temporary water use contract
- Dec 20 Initiate review of copy of draft rules from Oklahoma Water Resources Board sent from Collins Balcomb at Bureau of Reclamation to Kyle
- Dec 21 Receive email communication from Kyle Arthur about anticipated need to acquire services for forebay clean out and purchasing policy compliance and response concerning potential need for bidding
- Jan 4 Prepare and send Legal Counsel report to Kelley Metcalf

8. General Manager's Report

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

9. President's Report

Ms Nairn stated the Oklahoma Governor's Water Conference was held November 29th and 30th. Ms. Nairn plans to do a better job of giving the board advanced notice of the 2024 water conference.

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)

Mr. Dean drove by the Tinker Air Force Base and noted the construction ongoing for the relocation of the Del City line. He requested that the District perform a site visit to inspect the progress of the project. Mr. Arthur agreed and stated he would get one scheduled. .

F. Adjourn

There being no further business, President Nairn adjourned the meeting at 9:18 P.M.

RESOLUTION
OF
CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT
REGARDING OFFICIAL ACTION

WHEREAS, a quorum of the Board of Directors of the Central Oklahoma Master Conservancy District met in a regular meeting and considered approval of minutes of a previous meeting.

IT IS HEREBY RESOLVED that minutes of the regular meeting held on Thursday, January 4, 2024, are approved.

APPROVED by a majority of Board members present on this 1st day of February, 2024.

Amanda Nairn, President

Item D.5.

Central Oklahoma Master Conservancy District

*The Auditors' Communication with
Those Charged with Governance*

June 30, 2023

January 17, 2024

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, 2023, and we will issue our report thereon dated January 17, 2024. 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 20, 2023. 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. No new accounting policies were adopted and the application of other existing policies were not changed during the year ended June 30, 2023. 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.

Accounting Standards Issued Not Yet Adopted

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). GASB 100 prescribes accounting and financial reporting for accounting changes and error corrections to the financial statements. GASB 100 defines what constitutes an accounting change versus a change in accounting principle or error correction and outlines the appropriate note disclosures in each circumstance. The District will adopt GASB 100 on July 1, 2023, for the June 30, 2024, reporting year. The District does not expect GASB 100 to significantly impact the financial statements.

In June 2022, GASB issued Statement No. 101, *Compensated Absences* (GASB 101). GASB 101 outlines the definition of compensated absences and sets forth the accounting and financial reporting for compensated absence liabilities. GASB 101 outlines that leave accrued should be measured using the employee's pay rate at the financial statement date and that certain salary-related payments, such as Social Security and Medicare, should be included in such measurement. The District will adopt GASB 101 on July 1, 2024, for the June 30, 2025, reporting year. The District does not expect GASB 101 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 disagreement on 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.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 17, 2024.

Significant Audit Matters, Continued

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.

Board of Directors
Central Oklahoma Master Conservancy District
January 17, 2024
Page -4-

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 + Cook, PLLC

Central Oklahoma Master Conservancy District

Financial Statements

June 30, 2023 and 2022
(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

Opinion

We have audited the accompanying financial statements of the Central Oklahoma Master Conservancy District (the "District") as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2023 and 2022, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

(Continued)

INDEPENDENT AUDITORS' REPORT, CONTINUED

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

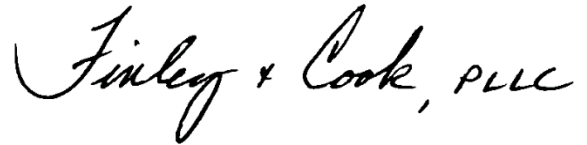
Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages I-1 through I-4 and the required supplementary information on pages 29 through 32 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

(Continued)

INDEPENDENT AUDITORS' REPORT, CONTINUED

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2024, 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.

A handwritten signature in black ink that reads "Finley & Cook, PLLC". The signature is written in a cursive, flowing style.

Shawnee, Oklahoma
January 17, 2024

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, 2023 and 2022. 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 2023 and 2022.

Statements of Net Position

	June 30,	
	<u>2023</u>	<u>2022</u>
Assets:		
Current assets	\$ 1,873,900	2,229,098
Capital assets, net	13,976,997	14,554,590
Net pension asset	221,911	724,213
Other noncurrent assets	9,488,956	9,112,404
Total assets	<u>25,561,764</u>	<u>26,620,305</u>
Deferred outflows of resources related to the pension plan	<u>519,381</u>	<u>85,052</u>
Liabilities:		
Current liabilities	642,255	640,988
Long-term debt, less current maturities	4,724,980	5,153,236
Total liabilities	<u>5,367,235</u>	<u>5,794,224</u>
Deferred inflows of resources related to the pension plan	<u>389,571</u>	<u>473,858</u>
Net position:		
Net investment in capital assets	8,823,761	8,972,754
Restricted	50,000	50,000
Unrestricted	<u>11,450,578</u>	<u>11,414,521</u>
Total net position	<u>\$ 20,324,339</u>	<u>20,437,275</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended June 30,	
	<u>2023</u>	<u>2022</u>
Operating revenues:		
Operations and maintenance	\$ 1,084,558	924,095
Electric power	<u>693,826</u>	<u>556,000</u>
Total operating revenues	<u>1,778,384</u>	<u>1,480,095</u>
Operating expenses:		
Pumping power	693,826	555,561
Salaries and benefits	640,877	484,338
Other operating expenses	<u>1,128,128</u>	<u>980,625</u>
Total operating expenses	<u>2,462,831</u>	<u>2,020,524</u>
Operating loss	<u>(684,447)</u>	<u>(540,429)</u>
Non-operating revenues, net	<u>571,511</u>	<u>5,087,040</u>
Changes in net position	(112,936)	4,546,611
Net position, beginning of year	<u>20,437,275</u>	<u>15,890,664</u>
Net position, end of year	<u>\$ 20,324,339</u>	<u>20,437,275</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, noncapital financing, 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 increase in total operating revenues of approximately \$298,000 in 2023 compared to the prior year was primarily due to increased operations and maintenance revenues and electric power revenues assessed to the member cities. The decrease in total operating revenues of approximately \$254,000 in 2022 compared to the prior year was primarily due to decreased operations and maintenance revenues assessed to member cities.
- The increase in total operating expenses of approximately \$442,000 in 2023 compared to the prior year was due primarily to increases in pumping power, salaries and benefits, and maintenance of approximately \$138,000, \$157,000, and \$121,000, respectively. The decrease in total operating expenses of approximately \$25,000 in 2022 compared to the prior year was due primarily to an impairment on fixed assets of approximately \$206,000 in the prior year, as well as a decrease in salaries and benefits of approximately \$131,000, offset by an increase in pumping power, depreciation, and maintenance and other expenses of approximately \$79,000, \$200,000, and \$33,000, respectively.
- Total non-operating revenues decreased approximately \$4,516,000 in 2023 compared to the prior year, mainly resulting from the prior year recognition of nonrecurring assessments to the member cities related to the Del City pipeline replacement of approximately \$5,486,000, offset by increases in grant revenue and investment and interest income of approximately \$447,000 and \$536,000, respectively. Total non-operating revenues increased approximately \$4,776,000 in 2022 compared to the prior year, mainly resulting from assessments to member cities related to the Del City pipeline replacement of approximately \$5,486,000, offset by a decrease in investment and interest income of approximately \$532,000 and a decrease from gains on sales of capital assets of approximately \$108,000 and a decrease in other revenue of approximately \$87,000.
- During 2023, the District's net pension asset was approximately \$222,000, deferred outflows of resources approximated \$519,000, and deferred inflows of resources approximated \$390,000. During 2022, the District's net pension asset was approximately \$724,000, deferred outflows of resources approximated \$85,000, and deferred inflows of resources approximated \$474,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

Capital Assets

As of June 30, 2023, the District had invested approximately \$24,676,000 in capital assets, including dam and reservoir, land improvements, pipelines, pumping plant, buildings and structures, vehicles, and equipment. Net of accumulated depreciation, the District's net capital assets at June 30, 2023, approximated \$13,977,000. As of June 30, 2022, the District had invested approximately \$24,674,000 in capital assets, including dam and reservoir, land improvements, pipelines, pumping plant, buildings and structures, vehicles, and equipment. Net of accumulated depreciation, the District's net capital assets at June 30, 2022, approximated \$14,555,000. 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 98 and 99 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, 2023 and 2022, the District had notes payable of approximately \$5,161,000 and \$5,582,000, 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:

Kyle Arthur, General Manager
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>2023</i>	<i>2022</i>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,453,645	1,834,182
Assessments receivable—the Cities—Energy Project, current portion	64,930	64,807
Assessments receivable—the Cities—Del City Pipeline, current portion	258,630	244,654
Accounts receivable	70,540	61,854
Accrued interest receivable	26,155	23,601
Total current assets	<u>1,873,900</u>	<u>2,229,098</u>
Noncurrent assets:		
Assessments receivable—the Cities—Energy Project	237,103	331,763
Assessments receivable—the Cities—Del City Pipeline	4,480,377	4,821,473
Investments	4,735,507	3,920,263
Debt issuance costs	35,969	38,905
Net pension asset	221,911	724,213
Capital assets, net	13,976,997	14,554,590
Total noncurrent assets	<u>23,687,864</u>	<u>24,391,207</u>
Total assets	<u>25,561,764</u>	<u>26,620,305</u>
Deferred outflows of resources:		
Deferred amounts related to the pension plan	<u>519,381</u>	<u>85,052</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>2023</i>	<i>2022</i>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	140,438	148,772
Compensated absences payable	40,186	38,785
Accrued interest payable	25,875	24,831
Long-term debt, current portion	<u>435,756</u>	<u>428,600</u>
Total current liabilities	<u>642,255</u>	<u>640,988</u>
Noncurrent liabilities:		
Long-term debt, less current maturities	<u>4,724,980</u>	<u>5,153,236</u>
Total liabilities	<u>5,367,235</u>	<u>5,794,224</u>
Deferred inflows of resources:		
Deferred amounts related to the pension plan	<u>389,571</u>	<u>473,858</u>
Net position:		
Net investment in capital assets	8,823,761	8,972,754
Restricted	50,000	50,000
Unrestricted	<u>11,450,578</u>	<u>11,414,521</u>
Total net position	<u>\$ 20,324,339</u>	<u>20,437,275</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>2023</i>	<i>2022</i>
Operating revenues:		
Operations and maintenance	\$ 1,084,558	924,095
Electric power	693,826	556,000
Total operating revenues	<u>1,778,384</u>	<u>1,480,095</u>
Operating expenses:		
Salaries and benefits	640,877	484,338
Maintenance	221,595	100,537
Utilities	40,491	39,204
Insurance and bond	91,184	101,418
Administrative supplies	14,173	10,734
Professional services	101,142	71,981
Pumping power	693,826	555,561
Water monitoring	79,273	63,132
Depreciation	580,270	593,619
Total operating expenses	<u>2,462,831</u>	<u>2,020,524</u>
Operating loss	<u>(684,447)</u>	<u>(540,429)</u>
Non-operating revenues (expenses):		
Del City pipeline replacement assessments	-	5,485,941
Grant revenue	460,935	13,720
Investment and interest income (loss)	254,484	(281,122)
Interest expense	(100,671)	(107,399)
Shoreline stabilization expense	-	(2,089)
Internal loading study expense	(22,000)	-
American Rescue Plan Act projects expense	(13,577)	-
Contaminants of emerging concern project expense	(14,932)	-
Other, net	7,272	(22,011)
Net non-operating revenues	<u>571,511</u>	<u>5,087,040</u>
Changes in net position	(112,936)	4,546,611
Net position, beginning of year	<u>20,437,275</u>	<u>15,890,664</u>
Net position, end of year	<u>\$ 20,324,339</u>	<u>20,437,275</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>2023</i>	<i>2022</i>
Cash flows from operating activities:		
Cash received from assessments to the Cities	\$ 1,769,698	1,851,339
Cash payments for goods and services	(1,250,019)	(901,915)
Cash payments for salaries and benefits	(655,789)	(585,503)
Net cash (used in) provided by operating activities	<u>(136,110)</u>	<u>363,921</u>
Cash flows from noncapital financing activities:		
Proceeds from long-term debt	7,500	-
Shoreline stabilization	-	(2,089)
Internal loading study	(22,000)	-
American Rescue Plan Act projects	(13,577)	-
Contaminants of emerging concern project	(14,932)	-
Other, net	7,272	(22,011)
Grant proceeds	460,935	13,720
Net cash provided by (used in) noncapital financing activities	<u>425,198</u>	<u>(10,380)</u>
Cash flows from capital and related financing activities:		
Acquisition and development of capital assets	(2,677)	(547,073)
Proceeds from long-term debt	-	279,449
Repayment of debt obligations	(428,600)	(421,623)
Interest paid	(96,691)	(108,569)
Net cash used in capital and related financing activities	<u>(527,968)</u>	<u>(797,816)</u>
Cash flows from investing activities:		
Principal received on assessments receivable	421,657	428,528
Investment and interest income received	289,165	215,075
Purchase of investments	(1,467,479)	(665,349)
Redemption of investments	615,000	352,246
Net cash (used in) provided by investing activities	<u>(141,657)</u>	<u>330,500</u>
Net decrease in cash and cash equivalents	(380,537)	(113,775)
Cash and cash equivalents at beginning of year	<u>1,834,182</u>	<u>1,947,957</u>
Cash and cash equivalents at end of year	<u>\$ 1,453,645</u>	<u>1,834,182</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>2023</i>	<i>2022</i>
Reconciliation of operating loss to net cash (used in) provided by operating activities:		
Operating loss	\$ (684,447)	(540,429)
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:		
Depreciation	580,270	593,619
Changes in deferred amounts related to pensions	(518,616)	477,595
Change in operating assets and liabilities:		
Accounts receivable	(8,686)	371,244
Net pension asset	502,302	(585,569)
Accounts payable	(8,334)	40,652
Compensated absences payable	<u>1,401</u>	<u>6,809</u>
Net cash (used in) provided by operating activities	<u>\$ (136,110)</u>	<u>363,921</u>

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

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

(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 Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments* (GASB 34), as amended, 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.

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Investments

The District's investments in corporate bonds, certifications of deposit, and registered investment companies, are recorded at fair value. The District's investments in U.S. Treasury bills are considered money market investments, as defined by GASB, and are recorded at amortized cost.

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 determinable 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 20–40 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.

(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:

Net Investment in Capital Assets—Consists of capital assets, net of accumulated depreciation and impairment, 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 "Net Investment in Capital Assets" 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.

(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

Accounting Standards Issued Not Yet Adopted

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). GASB 100 prescribes accounting and financial reporting for accounting changes and error corrections to the financial statements. GASB 100 defines what constitutes an accounting change versus a change in accounting principle or error correction and outlines the appropriate note disclosures in each circumstance. The District will adopt GASB 100 on July 1, 2023, for the June 30, 2024, reporting year. The District does not expect GASB 100 to significantly impact the financial statements.

In June 2022, GASB issued Statement No. 101, *Compensated Absences* (GASB 101). GASB 101 outlines the definition of compensated absences and sets forth the accounting and financial reporting for compensated absence liabilities. GASB 101 outlines that leave accrued should be measured using the employee's pay rate at the financial statement date and that certain salary-related payments, such as Social Security and Medicare, should be included in such measurement. The District will adopt GASB 101 on July 1, 2024, for the June 30, 2025, reporting year. The District does not expect GASB 101 to significantly impact the financial statements.

See Independent Auditors' Report.

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Date of Management's Review of Subsequent Events

Management has evaluated subsequent events through January 17, 2024, the date which the financial statements were available to be issued, and determined that no subsequent events have occurred that require adjustment to or disclosure in the financial statements.

(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.

As of June 30, 2023 and 2022, the District held cash deposits of approximately \$1,228,000 and \$1,116,000, respectively, 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, 2023 and 2022, and an average maturity of the underlying investments of 45 days and 34 days as of June 30, 2023 and 2022, respectively. The money market account is included in cash and cash equivalents in the statements of net position.

Custodial Credit Risk—Investments

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; investment grade corporate debt obligations and municipal debt obligations; collateralized or insured certificates of deposit; money market and short-term to intermediate-term bond registered investment companies, and stock-based registered investment companies.

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, 2023 and 2022, investment balances of approximately \$4,736,000 and \$3,920,000, 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

Investments Measured at Fair Value

Fair values of investments by hierarchy level at June 30 are presented below:

	Amounts Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by Fair Value Level</u>				
<u>2023</u>				
Fixed income:				
Corporate bonds—Domestic	\$ 2,226,186		2,226,186	-
Certificates of deposit	606,311	-	606,311	-
Total fixed income	<u>2,832,497</u>	<u>-</u>	<u>2,832,497</u>	<u>-</u>
Equities:				
Registered investment companies	1,073,511	1,073,511	-	-
Total equities	<u>1,073,511</u>	<u>1,073,511</u>	<u>-</u>	<u>-</u>
Total investments measured at fair value	<u>\$ 3,906,008</u>	<u>1,073,511</u>	<u>2,832,497</u>	<u>-</u>
Investments measured at amortized cost:				
U.S. Treasury bills	<u>829,499</u>			
Total investments	<u>\$ 4,735,507</u>			
<u>2022</u>				
Fixed income:				
Corporate bonds:				
Domestic	2,640,813	-	2,640,813	-
Foreign	237,000	-	237,000	-
Total fixed income	<u>2,877,813</u>	<u>-</u>	<u>2,877,813</u>	<u>-</u>
Equities:				
Registered investment companies	1,042,450	1,042,450	-	-
Total equities	<u>1,042,450</u>	<u>1,042,450</u>	<u>-</u>	<u>-</u>
Total investments measured at fair value	<u>\$ 3,920,263</u>	<u>1,042,450</u>	<u>2,877,813</u>	<u>-</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, Continued

The District holds a diversified mix of registered investment companies, certifications of deposit, and corporate debt securities through an investment manager. The District’s investments in registered investment companies are classified as Level 1 of the fair value hierarchy, valued using quoted prices in active markets. The District’s certifications of deposit and corporate 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.

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 has a policy in place to limit maturity dates of debt securities to no longer than 10 years from the date of purchase and attempts to ladder maturity dates that are subject to credit risk. The District has a policy in place to limit investments in any one security issue to no more than 10% of the investment portfolio at the time of investment. Also, no more than 10% of the total portfolio’s investments may be invested in stock-based registered investment companies at the time such investments are made. 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 for debt securities.

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

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>			<u>Fair Value/ Amortized Cost</u>
	<u>Less Than 1</u>	<u>1 or More, Less Than 5</u>	<u>5 or More</u>	
<u>2023</u>				
Corporate bonds	\$ 129,541	1,633,362	463,283	2,226,186
Certificates of deposit	-	606,311	-	-
U.S. Treasury bills	829,499	-	-	829,499
	<u>\$ 959,040</u>	<u>2,239,673</u>	<u>463,283</u>	<u>3,055,685</u>
<u>2022</u>				
Corporate bonds:				
Domestic	\$ 368,633	1,793,952	478,228	2,640,813
Foreign	237,000	-	-	237,000
	<u>\$ 605,633</u>	<u>1,793,952</u>	<u>478,228</u>	<u>2,877,813</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:

<u>S&P 500 Rating</u>	<u>Fair Value</u>	Percentage of Total Debt Security Investments at <u>Fair Value</u>
<u>2023</u>		
AAA	\$ 227,396	8%
AA-	301,396	10%
A+	129,541	5%
A-	143,484	5%
BBB+	793,833	28%
BBB	136,956	5%
BBB-	169,789	6%
BB+	220,625	8%
Not Rated	<u>709,477</u>	<u>25%</u>
	<u>\$ 2,832,497</u>	<u>100%</u>
<u>2022</u>		
AAA	\$ 234,120	8%
AA-	308,160	11%
A+	132,539	5%
A-	317,517	11%
BBB+	814,851	28%
BBB	246,894	9%
BBB-	366,732	13%
BB+	220,000	8%
BB-	<u>237,000</u>	<u>8%</u>
	<u>\$ 2,877,813</u>	<u>100%</u>

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, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	Balance at <u>June 30, 2023</u>
Capital assets not being depreciated:					
Dam and reservoir	\$ 4,605,177	-	-	-	4,605,177
Land improvements	<u>38,375</u>	-	-	-	<u>38,375</u>
Total capital assets not being depreciated	<u>4,643,552</u>	-	-	-	<u>4,643,552</u>
Other capital assets:					
Vehicles	630,131	-	-	-	630,131
Pipelines	4,269,079	-	-	-	4,269,079
Del City pipeline replacement	6,847,316	-	-	-	6,847,316
Pumping plant	1,593,952	-	-	-	1,593,952
Office equipment	92,175	2,677	-	-	94,852
Buildings and structures	1,226,899	-	-	-	1,226,899
Energy Project equipment	2,536,613	-	-	-	2,536,613
Fencing and equipment	<u>2,834,038</u>	-	-	-	<u>2,834,038</u>
Total other capital assets	<u>20,030,203</u>	<u>2,677</u>	-	-	<u>20,032,880</u>
Accumulated depreciation:					
Vehicles	(515,320)	(35,361)	-	-	(550,681)
Pipelines	(3,767,129)	(42,727)	-	-	(3,809,856)
Del City pipeline replacement	(173,118)	(169,248)	-	-	(342,366)
Pumping plant	(1,573,932)	(2,356)	-	-	(1,576,288)
Office equipment	(83,982)	(2,776)	-	-	(86,758)
Buildings and structures	(655,054)	(46,523)	-	-	(701,577)
Energy Project equipment	(1,648,801)	(126,830)	-	-	(1,775,631)
Fencing and equipment	<u>(1,701,829)</u>	<u>(154,449)</u>	-	-	<u>(1,856,278)</u>
Total accumulated depreciation	<u>(10,119,165)</u>	<u>(580,270)</u>	-	-	<u>(10,699,435)</u>
Capital assets, net	<u>\$ 14,554,590</u>	<u>(577,593)</u>	-	-	<u>13,976,997</u>

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(3) CAPITAL ASSETS, CONTINUED

	Balance at <u>June 30, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	Balance at <u>June 30, 2022</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	6,425,895	421,421	-	(6,847,316)	-
Total capital assets not being depreciated	<u>11,069,447</u>	<u>421,421</u>	<u>-</u>	<u>(6,847,316)</u>	<u>4,643,552</u>
Other capital assets:					
Vehicles	630,131	-	-	-	630,131
Pipelines	4,269,079	-	-	-	4,269,079
Del City pipeline replacement	-	-	-	6,847,316	6,847,316
Pumping plant	1,593,952	-	-	-	1,593,952
Office equipment	85,446	6,729	-	-	92,175
Buildings and structures	1,226,899	-	-	-	1,226,899
Energy Project equipment	2,536,613	-	-	-	2,536,613
Fencing and equipment	2,715,115	118,923	-	-	2,834,038
Total other capital assets	<u>13,057,235</u>	<u>125,652</u>	<u>-</u>	<u>6,847,316</u>	<u>20,030,203</u>
Accumulated depreciation:					
Vehicles	(463,721)	(51,599)	-	-	(515,320)
Pipelines	(3,724,402)	(42,727)	-	-	(3,767,129)
Del City pipeline replacement	-	(173,118)	-	-	(173,118)
Pumping plant	(1,571,576)	(2,356)	-	-	(1,573,932)
Office equipment	(81,060)	(2,922)	-	-	(83,982)
Buildings and structures	(608,487)	(46,567)	-	-	(655,054)
Energy Project equipment	(1,521,971)	(126,830)	-	-	(1,648,801)
Fencing and equipment	(1,554,329)	(147,500)	-	-	(1,701,829)
Total accumulated depreciation	<u>(9,525,546)</u>	<u>(593,619)</u>	<u>-</u>	<u>-</u>	<u>(10,119,165)</u>
Capital assets, net	<u>\$ 14,601,136</u>	<u>(46,546)</u>	<u>-</u>	<u>-</u>	<u>14,554,590</u>

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:

	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2023</u>	<u>Amounts Due Within 1 Year</u>
Drinking Water SRF Series 2007 note payable	\$ 426,318	-	(94,555)	331,763	94,660
Drinking Water SRF Series 2019 note payable	5,155,518	-	(334,045)	4,821,473	341,096
Clean Water SRF Series 2023 note payable	-	7,500	-	7,500	-
	<u>\$ 5,581,836</u>	<u>7,500</u>	<u>(428,600)</u>	<u>5,160,736</u>	<u>435,756</u>

	<u>Balance at June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2022</u>	<u>Amounts Due Within 1 Year</u>
Drinking Water SRF Series 2007 note payable	\$ 520,802	-	(94,484)	426,318	94,556
Drinking Water SRF Series 2019 note payable	5,203,208	279,449	(327,139)	5,155,518	334,044
	<u>\$ 5,724,010</u>	<u>279,449</u>	<u>(421,623)</u>	<u>5,581,836</u>	<u>428,600</u>

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(4) LONG-TERM DEBT, CONTINUED

Drinking Water SRF Series 2007 Note Payable

The District has a Drinking Water State Revolving Fund (SRF) Series 2007 note payable from the Oklahoma Water Resources Board (OWRB) through its "Drinking Water SRF Financing Program." The Drinking Water SRF Series 2007 note payable has an annual interest rate of 0.50%, 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 restrictive and negative covenants that the District must meet. As of June 30, 2023, the District was in compliance with such covenants.

Drinking Water SRF Series 2019 Note Payable

In July 2019, the District entered into a \$5,643,680 Drinking Water SRF Series 2019 note payable agreement with the OWRB through its "Drinking Water SRF Financing Program" to finance its Del City aqueduct replacement. The Drinking Water SRF Series 2019 note payable has an annual interest rate of 1.60% and an annual fee of 0.50% through maturity, which is September 15, 2035. The Drinking Water SRF Series 2019 note payable has certain restrictive and negative covenants that the District must meet. As of June 30, 2023, the District was in compliance with such covenants.

Clean Water SRF Series 2023 Note Payable

In May 2023, the District entered into a \$755,000 Clean Water SRF Series 2023 funding and promissory note agreement with the OWRB. The financing transaction was awarded to the District through the OWRB's "Clean Water SRF Financing Program" for the purpose of conducting a sampling program for contaminants of emerging concern within the watershed of Lake Thunderbird and within the lake itself. The funding provided by the Clean Water SRF Series 2023 note payable will be advanced through the project period and is eligible for principal forgiveness at the completion of the project with the condition that the District materially complies with the requirements of the funding agreement, as certified by the OWRB. The District expects for the full principal amount of the note payable to be forgiven at the conclusion of the project through federal funds provided to the OWRB by the Infrastructure Investment and Jobs Act. The note payable bears zero interest and payments shall commence on the unforgiven balance at the earlier of (i) March 15 or September 15 following the project completion date, or (ii) September 15, 2024, and shall continue repayment of the principal balance semiannually through March 15, 2044. The note is secured by the revenues of the District and is subject to certain positive and negative covenants. As of June 30, 2023, 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>
2024	\$ 538,433	102,677	435,756
2025	545,177	94,633	450,544
2026	537,221	86,704	450,517
2027	489,263	78,618	410,645
2028	441,739	70,915	370,824
2029–2035	<u>3,308,118</u>	<u>265,668</u>	<u>3,042,450</u>
	<u>\$ 5,859,951</u>	<u>699,215</u>	<u>5,160,736</u>

(5) ASSESSMENTS RECEIVABLE

During 2009, 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 Series 2007 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, 2023 and 2022, was \$302,033 and \$396,570, respectively.

During 2022, in connection with the District’s Del City pipeline replacement, the District entered into contracts with the City of Norman, the City of Midwest City, and the City of Del City, in which the three 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 Series 2019 note payable. See Note 4 for the respective terms. The assessments are secured by gross revenues received from the sale of water by respective cities. The balance of the assessments receivable for the Del City pipeline replacement at June 30, 2023 and 2022, was \$4,739,007 and \$5,066,127, respectively.

(6) AMERICAN RESCUE PLAN ACT

On March 27, 2023, the District entered into an American Rescue Plan Act (ARPA) Grant Agreement with the OWRB for grant funding not to exceed \$1,409,648 for the purpose of projects relating to generator replacement, SCADA and telemetry upgrades, rehabilitation of pumping units, Del City pipeline expenses, and other improvements as approved by the OWRB in the grant application. The funding will be reduced by up to 4%, or \$56,386, for statutory administrative fees leaving \$1,353,262 available for the budgeted grant projects. The District is entitled to reimbursement of eligible project expenses that are incurred between March 3, 2021 and August 31, 2026. As of June 30, 2023, the District recognized receipts of \$460,935 from reimbursement of eligible project expenses which are reported as non-operating grant revenue in the statement of revenues, expenses, and changes in net position.

See Independent Auditors’ Report.

(7) **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, which 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 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.

Benefits Provided

The Plan provides retirement, disability, and death benefits. Retirement benefits for employees are calculated as 3% 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% 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% of the normal retirement benefit payable to the spouse until death or remarriage, or 50% 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 66⅔% last survivor annuity, and joint and 100% survivor annuity.

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Employees Covered Under the Plan

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

	<u>2023</u>	<u>2022</u>
Retirees, disabled participants, and beneficiaries currently receiving benefits	3	3
Terminated vested participants	1	1
Active participants	7	5
	<u>11</u>	<u>9</u>

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 2023 and 2022 were based on actuarially determined rates plus additional contributions. The rates for the fiscal years 2023 and 2022 were 8.84% and 8.43%, respectively, of covered salary. The District did not contribute any employer contributions to the Plan in both 2023 and 2022.

Total and Net Pension (Asset) Liability

The total pension (asset) liability as of June 30, 2023 and 2022, was determined based on actuarial valuations performed as of July 1, 2022 and 2021, 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, 2023 or 2022. There were also no changes between the measurement date of July 1, 2022 and 2021, and the District's report ending date of June 30, 2023 and 2022, that would have a significant impact on the net pension (asset) liability as of June 30, 2023 or 2022.

See Independent Auditors' Report.

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

Actuarial Assumptions

The total pension asset as of the July 1, 2022 and 2021, 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 2022 and 2021, compounded annually, net of investment expense and including inflation.
Salary increases:	Varies between 4.50% and 7.50% for both 2022 and 2021.
Mortality rates:	PubG-2010 Mortality Table with projected mortality improvements based on the employee's year of birth for both 2022 and 2021.
Assumed inflation rate:	2.75% for both 2022 and 2021.
Actuarial cost method:	Entry age normal for both 2022 and 2021.

The actuarial assumptions used in the July 1, 2022, valuation are based on the results of the actuarial experience study, which covers the 5-year period ending June 30, 2021. The experience study report is dated November 18, 2022. The actuarial assumptions used in the July 1, 2021 valuation are based on the results of the actuarial study, which covers the 5-year period ending June 30, 2016. The experience study report is dated September 29, 2017.

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, 2022 and 2021, 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.

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(7) DEFINED BENEFIT PENSION PLAN, CONTINUED

Discount Rate, Continued

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 2022 and 2021). 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, 2022 and 2021, 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 Aggregate	30%	2.30%	0.69%
Real estate:			
NCREIF	5%	4.60%	0.23%
Cash and cash equivalents:			
3-month Treasury	<u>0%</u>	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

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

Changes in the Net Pension Asset

Changes in the net pension asset were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
	(a)	(b)	(a) - (b)
Balance at June 30, 2021	\$ 1,853,948	1,992,592	(138,644)
Changes for the year:			
Service cost	54,430	-	54,430
Interest cost	136,379	-	136,379
Difference between expected and actual experience	(197,662)	-	(197,662)
Contributions—employer	-	16,251	(16,251)
Contributions—employee	-	19,501	(19,501)
Net investment income	-	547,704	(547,704)
Benefit payments, including refunds of employee contributions	(72,419)	(72,419)	-
Administrative expense	-	(4,740)	4,740
Net changes	<u>(79,272)</u>	<u>506,297</u>	<u>(585,569)</u>
Balance at June 30, 2022	<u>1,774,676</u>	<u>2,498,889</u>	<u>(724,213)</u>
Changes for the year:			
Service cost	54,234	-	54,234
Interest cost	131,687	-	131,687
Difference between expected and actual experience	75,630	-	75,630
Changes in assumptions	(72,725)		(72,725)
Contributions—employer	-	-	-
Contributions—employee	-	26,253	(26,253)
Net investment income	-	(311,035)	311,035
Benefit payments, including refunds of employee contributions	(38,391)	(38,391)	-
Benefit changes due to plan amendments	24,399	-	24,399
Administrative expense	-	(4,295)	4,295
Net changes	<u>174,834</u>	<u>(327,468)</u>	<u>502,302</u>
Balance at June 30, 2023	<u>\$ 1,949,510</u>	<u>2,171,421</u>	<u>(221,911)</u>

See Independent Auditors' Report.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(7) DEFINED BENEFIT PENSION PLAN, CONTINUED

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset of the District, calculated using the discount rate of 7.50% as of both July 1, 2023 and 2022, 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 at June 30:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
<u>2023</u>			
Net pension (asset) liability	\$ 33,666	(221,911)	(436,002)
<u>2022</u>			
Net pension asset	\$ (480,793)	(724,213)	(927,336)

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

For the years ended June 30, 2023 and 2022, the District recognized pension expense of \$2,365 and pension benefit of \$(106,695), respectively. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30:

	<u>2023</u>		<u>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 73,164	95,246	35,113	154,031
Changes in assumptions	1,127	54,455	6,492	-
Net difference between projected and actual earnings on pension plan investments	426,407	239,870	43,447	319,827
District contributions subsequent to measurement date	18,683	-	-	-
	<u>\$ 519,381</u>	<u>389,571</u>	<u>85,052</u>	<u>473,858</u>

See Independent Auditors' Report.

(7) 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 \$18,683 related to pensions from the District contributions subsequent to the measurement date will be recognized as an increase/decrease of the net pension (asset) liability in the year ended June 30, 2024. 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:		
2024	\$	1,045
2025		(9,814)
2026		20,325
2027		<u>99,571</u>
	\$	<u><u>111,127</u></u>

(8) 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, 2023 and 2022, the District contributed approximately \$23,900 and \$20,600, respectively, to the Contribution Plan. Benefits depend solely on amounts contributed to the Contribution Plan plus investment earnings.

(9) 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 2023 and 2022 approximated \$10,900 and \$10,000, respectively.

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, 2023

Condition Rating of Infrastructure Assets

	<u>Years Ended June 30,</u>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Infrastructure assets (dam and reservoir)	98	99	99

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

		<u>Years Ended June 30,</u>				
		<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Estimate	\$	128,000	189,000	125,000	115,000	105,000
Actual		132,480	47,683	30,616	62,076	123,317

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>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
Total pension liability									
Service cost	\$ 54,234	54,430	46,615	43,028	44,582	43,043	29,546	39,199	36,379
Interest cost	131,687	136,379	123,893	113,460	115,478	111,825	108,409	118,178	115,436
Differences between expected and actual experience	75,630	(197,662)	60,360	15,614	(124,141)	684	(20,798)	(205,605)	-
Assumption changes	(72,725)	-	-	22,587	-	11,501	-	-	-
Benefit payments, including refunds of employee contributions	(38,391)	(72,419)	(56,621)	(54,584)	(70,782)	(69,691)	(76,338)	(79,253)	(80,831)
Benefit changes due to plan amendments	<u>24,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in total pension liability	174,834	(79,272)	174,247	140,105	(34,863)	97,362	40,819	(127,481)	70,984
Total pension liability, beginning of year	<u>1,774,676</u>	<u>1,853,948</u>	<u>1,679,701</u>	<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>	<u>1,492,775</u>
Total pension liability, end of year (a)	<u>\$ 1,949,510</u>	<u>1,774,676</u>	<u>1,853,948</u>	<u>1,679,701</u>	<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	\$ -	16,251	8,734	25,902	115,860	118,989	117,934	82,298	180,423
Contributions—employees	26,253	19,501	18,258	16,325	19,304	15,572	14,953	13,444	13,138
Net investment income	(311,035)	547,704	79,787	126,379	125,115	180,366	13,452	36,413	168,530
Administrative expenses	(4,295)	(4,740)	(4,017)	(3,785)	(3,531)	(69,691)	(2,684)	(2,672)	(2,508)
Benefit payments, including refunds of employee contributions	<u>(38,391)</u>	<u>(72,419)</u>	<u>(56,621)</u>	<u>(54,584)</u>	<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	(327,468)	506,297	46,141	110,237	185,966	242,111	67,317	50,230	278,752
Plan fiduciary net position, beginning of year	<u>2,498,889</u>	<u>1,992,592</u>	<u>1,946,451</u>	<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>	<u>1,011,838</u>
Plan fiduciary net position, end of year (b)	<u>\$ 2,171,421</u>	<u>2,498,889</u>	<u>1,992,592</u>	<u>1,946,451</u>	<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>\$ (221,911)</u>	<u>(724,213)</u>	<u>(138,644)</u>	<u>(266,750)</u>	<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 9 fiscal years are presented because data for 2014 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>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
Total pension liability	\$ 1,949,510	1,774,676	1,853,948	1,679,701	1,539,596	1,574,459	1,477,097	1,436,278	1,563,759
Plan fiduciary net position	<u>2,171,421</u>	<u>2,498,889</u>	<u>1,992,592</u>	<u>1,946,451</u>	<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>\$ (221,911)</u>	<u>(724,213)</u>	<u>(138,644)</u>	<u>(266,750)</u>	<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>111.38%</u>	<u>140.81%</u>	<u>107.48%</u>	<u>115.88%</u>	<u>119.27%</u>	<u>104.81%</u>	<u>95.33%</u>	<u>93.35%</u>	<u>82.53%</u>
Covered payroll	<u>\$ 470,151</u>	<u>279,760</u>	<u>293,902</u>	<u>306,761</u>	<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>(47.20)%</u>	<u>(258.87)%</u>	<u>(47.17)%</u>	<u>(86.96)%</u>	<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 9 fiscal years are presented because data for 2014 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>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
Actuarially determined contribution	\$ 13,352	23,584	14,695	9,342	24,939	40,367	47,278	66,965	82,298
Contributions in relation to the actuarially determined contribution	-	-	14,970	9,342	24,478	115,860	118,989	117,934	82,298
Contribution (deficit) excess	<u>\$ (13,352)</u>	<u>(23,584)</u>	<u>275</u>	<u>-</u>	<u>(461)</u>	<u>75,493</u>	<u>71,711</u>	<u>50,969</u>	<u>-</u>
Covered payroll	<u>\$ 470,151</u>	<u>279,760</u>	<u>293,902</u>	<u>306,761</u>	<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>0.00%</u>	<u>0.00%</u>	<u>5.10%</u>	<u>3.05%</u>	<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 9 fiscal years are presented because data for 2014 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 17, 2024. Our report includes an explanatory paragraph disclaiming an opinion on required supplementary information.

Report on 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") as a basis for designing 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 control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(Continued)

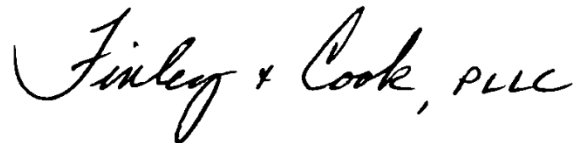
**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*, CONTINUED**

Report on 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 financial statements. 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.

A handwritten signature in black ink that reads "Finley + Cook, PLLC". The signature is written in a cursive, flowing style.

Shawnee, Oklahoma
January 17, 2024

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended June 30, 2023

None noted.

CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2023

None noted.

Resolution
OF
CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT
REGARDING OFFICIAL ACTION

WHEREAS, a quorum of the Board of Directors of the Central Oklahoma Master Conservancy District met in a regular meeting and considered approval of the annual audit report for fiscal year ended June 30, 2023.

IT IS HEREBY RESOLVED that the annual audit report for fiscal year ended June 30, 2023 is approved.

APPROVED by a majority of Board members present on this 1st day of February 2024.

Amanda Nairn, President

Item E.7.

Manager's Report – February 2024

- Cold weather snap
 - Replaced a burst valve near the pumping plant
 - Currently discussing with staff ways to prevent problems in the future (insulating, covering, etc.)
- Held monthly staff meeting
 - Discussed upcoming projects, specifically the schedule for the pump replacement project
- Visited job site at Tinker regarding the relocation of the Del City pipeline
 - Joined by US Army Corps of Engineers and Bureau of Reclamation staff
- Had a motor failure at the Relift facility pump #2 (MWC)
 - Damage report shows the fault to be a phase-to-phase short
 - The purchase of the same motor new was less expensive than the cost to repair, ordered a new one
 - Expect it to be here by Feb 2
- Pump Replacement Project
 - Received all pumps, shafts, and bushings
 - Waiting on remaining shaft retainers and couplings
 - First pump replacement accomplished (Pump #6 – Relift)
 - New pump, shafts, retainers, bushings, refurbished check valve and blasted/painted water pipe columns
 - Next will be two Norman pumps
- District staff attended the required Dam Operator Training sponsored by the BOR on January 18
 - Dam tour was held the following day, for those interested, at our facility
 - 6 guests from different organizations and states took the tour
- Relocated Boar Buster to South Dam State Park just below the dam crest
 - Pig signs have increased significantly
- ASR (annual site review) with the BOR has been scheduled for Feb 14
- Plan to travel to Idaho the week of April 2 to learn about a conjunctive water management system in use by the state of Idaho
 - This is in support of two of our sister Districts (Lugert-Altus and Mountain Park) who are working with the OWRB to implement specific water use management strategies, upstream of their reservoirs, to help protect their firm yield
 - OARP member Districts, BOR and OWRB will be attending
- Participated in meeting with OWRB staff to discuss future phases of CEC work
 - This included discussion about a Phase 2 sampling effort (for which we already have the money)
 - Also discussed future phases with year 3, 4 and 5 funds
 - Approximately \$1.7 million available each of the remaining years
 - Discussed the possibility of doing septic system replacement in the watershed
- New Equipment Storage Building
 - Invitation to bid has been published
 - Bid openings will be on March 8