

MINUTES OF THE REGULAR BOARD MEETING  
CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

Thursday, March 6, 2025

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:

Amanda Nairn

Michael Dean

Dave Ballew

Espaniola Bowen

Edgar O'Rear

Steve Carano

Bryan Hapke

Board Members Absent:

None

Staff Present:

Kyle Arthur, General Manager

Kelley Metcalf, Office Manager

Tim Carr, Operations & Maintenance Supervisor

Others Present:

Dean Couch

Mark Roberts, Midwest City

Rachel Camp, Norman

Paul Streets, Midwest City

Cole Niblett, Garver

Marjorie Allert, Jenks OK

Virtual

None

**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- January 2025 financials

Mr. Ballew reminded the board at the last meeting that it was mentioned that two corporate bonds would be maturing. Mr. Arthur stated those two bonds, totaling \$183,000, were reinvested in a Goldman Sachs bond, at a rate of 4.85% for a seven-year term.

Mr. Ballew briefed the board on the balance sheet portion of the report and invited anyone that may have questions to let him know.

Mr. Ballew proceeded with the profit and loss (P&L) portion of the report. Mr. Ballew thought it was noteworthy to have Mr. Arthur explain the \$8,708.00 in service and safety awards that occurred in December. Mr. Arthur explained there are 3 parts to the awards, longevity, individual safety, and group safety. Mr. Arthur stated there were no recordable incidents, thus resulting in all the staff receiving the full annual awards. Mr. Ballew and Ms. Nairn applauded the staff for working safely. Mr. Ballew said Mr. Dean inquired about omitting the Gross Profit line item on the P&L, and that has been done.

Mr. Ballew asked if there were any questions, hearing none, Ms. Nairn proceeded to item #3.

### 3. Discussion of initial draft budget FY 2026

Please see the packet for the budget documents.

Ms. Nairn stated depending on questions and comments, the hope is to have the budget as an action item at the next meeting. Ms. Nairn stated that when the board votes on the budget, it will be to consider the 2026 budget. The other years are just projections.

Mr. Arthur started the discussion with a handout that was not included in the packet (Overall Cash Flow). It projected the remaining cash-on-hand and income, as well as expenses, for FY 2025. Using the maximum amount of allowable carryover of \$1,250,000, (as stated in the Budgeting Policy) the projected "surplus carryover" balance at FYE 2025 would be \$276,884.

Mr. Arthur then proceeded to discuss a proposed allocation of the surplus carryover, which included an amount of \$75,000 for the Large Equipment Asset Fund, a \$125,000 refund to the cities and a \$75,000 investment in the District's emergency fund. Regarding the latter amount, he reminded the board that it has been the practice of the District to take any investment account earnings and credit those each budget year to the cities as an offset to their assessment amount. This is also the case in the FY 2026 proposed budget. However, as a result doing this, the investment account is not growing, its purchasing power is

being reduced, and that is starting to give him some pause. Therefore, he is proposing to take a portion of the surplus carryover (\$75,000) to reinvest.

Discussion was then held about the need to reinvest the earnings back into our emergency account vs. continuing to use it as a credit. The general consensus was that it was important to consider starting to reinvest earnings again so that the fund would be able to adequately cover any future emergencies. Mr. Arthur then introduced the idea of possibly reprogramming some of the emergency funds to create a sinking fund for future infrastructure needs. This idea is based upon the preliminary opinion that \$4.1 million (the current balance in the emergency fund) may be more than what would be needed for an emergency. Furthermore, the creation of a dedicated fund for future infrastructure needs could help prevent large swings in the budget from year-to-year when projects need to be accomplished. Mr. Arthur said he would be putting together some information to discuss further at the next meeting.

Mr. Arthur then proceed to discuss the draft FY 2026 budget. Overall, he stated, the proposed budget did not contain anything out of the ordinary and any projected increases were in line with normal cost of materials and service increases. He pointed out, however, that Plant and Dam Operation & Maintenance (O&M) was slightly higher than normal because of the plan to replace the variable frequency drives (VFDs) at the Relift. Also, the line item for insurance saw a larger than normal increase to reflect the addition of the new building and the recently purchased equipment. Mr. Ballew asked what percentage for annual cost increases were used for the various line items in the budget. Mr. Arthur responded that he used between 3-5% depending upon the trends he had observed in the past for each budget item. Ms. Nairn asked about the decrease in Accounting and Audit. Mr. Arthur said that it was because last year's budget included the possibility of an additional "Single Audit" being performed for the use of American Rescue Plan Act and Contaminants of Emerging Concern (ARPA and CEC) funds. That audit is not expected to be required this year thus resulting in a decrease in the line item from last year. As it turned out, a Single Audit was not required this current fiscal year either. Mr. Arthur also said that he had adjusted the power cost allocations between the three cities after doing a more detailed analysis of past use. As a result, Norman's projected share of the total power cost increased and Midwest City's decreased. Del City remained approximately the same. He reminded the Board, however, that the power costs are merely a projection, and that each city pays whatever the actual power cost is.

Mr. Streets expressed gratitude for having this as a discussion item and thanked Mr. Arthur for being conscientious of the budget amounts not fluctuating greatly year by year.

Ms. Nairn said if the Cities need something additional, that is not currently being done, please reach out to Mr. Arthur.

Ms. Nairn asked if there were any further questions or concerns, and 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 being 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, February 6, 2025, and corresponding Resolution

Ms. Nairn asked if there were any questions, comments, or edits. Hearing none she entertained a motion.

Bryan Hapke made a motion seconded by Michael Dean to approve the minutes and corresponding Resolution.

Roll call vote:

Amanda Nairn Yes

Michael Dean Yes

Dave Ballew Yes

Edgar O'Rear Yes

Espaniola Bowen Yes

Steve Carano Yes

Bryan Hapke Yes

*Motion Passed*

**E. Discussion**

5. Legal Counsel's Report

No written report. Mr. Couch stated he attended the February board meeting.

Mr. Couch said he was happy to answer any questions.

Hearing no further questions, Ms. Nairn proceeded to the General Manager's Report.

6. General Manager's Report

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

Mr. Arthur highlighted a few items.

Mr. Dean had previously suggested that a power cost analysis comparison be tallied to determine if the new pumps have made a difference. Mr. Arthur said that he compared the number of gallons pumped/KWH for the Norman pumps at the Main Plant, the Relift pumps at the Main Plant and the Midwest City pumps at the Relift. The timeframes for the comparison were July through January 2021/2022 and July through January 2024/2025. These specific periods were chosen because they reflect times when all of the pumps had not yet been replaced vs. when all of the pumps had been replaced. Mr. Arthur shared that the analysis shows a 21.5% improvement for the Norman pumps, a 15% improvement for the Main Plant Relift pumps, and a 5.3% improvement for the Midwest City pumps. He further showed, as an example, that the 21.5% power savings seen for the Norman pumps would have already paid for one of the new pumps. The Board was pleased to see the results and discussion was held about the possible impact of also having replaced the VFDs during a part of the latter timeframe. Ms. Camp asked if this data would be kept up-to-date, and Mr. Arthur stated yes. Mr. Dean suggested a "plate" or some kind of identifier be placed on the units for easy historical knowledge. Mr. Arthur said he would like to see if Ignition (the District's reporting software) could be upgraded to accommodate this data. He

also said the Dynamic Pump Optimizer (Specific Energy) will be monitoring the real time efficiency of the pump itself. This will be piloted on the Norman line. Mr. Arthur also shared annual power costs in the analysis report.

Pictures were shared of the boathouse wind damage that occurred overnight on March 4<sup>th</sup>. Mr. Carr has scheduled a couple of companies to come and assess the damage and recommend alterations that could help prevent future damage. Mr. Niblett will email Mr. Carr a reference for a company he knows of that does this type of work.

Mr. Arthur stated he would be happy to answer any questions.

#### 7. President's Report

None

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

None

#### **F. Adjourn**

There being no further business, President Nairn adjourned the meeting at 8:30 P.M.