

**MINUTES OF REGULAR BOARD MEETING
CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT**

Thursday, July 15, 2021

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

Treasurer Jann Knotts

Secretary Michael Dean

Board Member William Janacek

Board Member Kevin Anders

Board Members Absent:

Casey Hurt

Roger Frech

Staff Present:

Kyle Arthur, General Manager

Kelley Metcalf, Office Manager

Tim Carr, Operations & Maintenance Supervisor

Others Present:

Paul Streets

Don Maisch

Alan Swartz

Geri Wellborn

Mark Roberts

Beverly Palmer

Cole Niblett

Rob Lockard

Elizabeth Baccus

Annette Wood

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

C.1. Status report of the Del City Pipeline Project from Alan Plummer Associates, Inc. (Alan Swartz, Oklahoma Area Leader)

Alan Swartz reported:

2 items remain on the punch list:

(1) lid on a vault and (2) a section of fence that BOR and the landowner negotiated

The record drawings have been received from the contractor and those will be finished and submitted to DEQ. Member Janacek inquired about the status of the Tinker section. Mr. Arthur reminded everyone that he and Mr. Swartz recommend replacement of the 2-mile stretch due to the history of failure of the civil engineer C301 pipe, and for the fact that it is under Air Depot, but the board would have to approve replacement. OKC had a catastrophic failure and the pipe that failed is the same pipe and the same manufacturer. Mr. Arthur stated the Corp of Engineers is drafting an RFP now. One meeting has been held and the District, BOR, and Mr. Swartz provided input. Another meeting is planned for October and construction could begin sometime next year. With the Corp of Engineers' desire to build more hangers, to support growth on the base, they will pay for the relocation of the line, but not the portion off base and under Air Depot. The 2 projects could be completed simultaneously, and the District would pay for our portion of the project. Compressed fit liner was recommended to the Corp. The line will have to remain inside the Tinker Airforce Base fence to qualify for the Corp to pay for the project.

The Board thanked and praised Mr. Swartz and Tim Carr for their hard work and dedication on the pipeline project.

C.2. Fiscal year-end update on capital expenditure and emergency fund (CEEF) investment account from Robert Lockard, of LPL Financial

President Nairn introduced Robert Lockard. Mr. Lockard gave a general overview of the investment portfolio. The portfolio's value is 4.3 million. The bulk of the portfolio is corporate bonds that generate semiannual interest, which represents, over 12 months approximately \$113,000 cash flow coming in. That interest is now going into the general Operating account. In December, in accordance with the new investment policy, two mutual funds were purchased, which paid off the American Balance Fund, which is a bonds and equity balance fund. It is up 4.5% since purchased. A short-term government security mutual fund was purchased, it is generating approximately \$335 a month, and that interest is being reinvested back into the fund. The bonds that were bought in the past have paid off with a \$185,000 gain, not counting all the interest earned over the years. Mr. Lockard stated those are going to be maturing and it is going to be hard to replace 3-4% bonds. Mr. Lockard will get recommendations from the Treasurer and Mr. Arthur on \$300,000 cash on a bond that got called. Treasurer Knotts complimented Mr. Lockard. Mr. Lockard recognized Mr. Arthur and Treasurer Knotts for implementing an investment policy. Mr. Arthur reminded the board that the earnings are put towards the budget to offset assessments to the cities. For this year's budget the amount is \$110,000.

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 PRESENT, 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:

D.3. Minutes of the Regular Board Meeting held on Thursday, June 3, 2021, and corresponding Resolution

The minutes were reviewed and finding those in good order as presented, William Janacek made a motion seconded by Michael Dean to approve the Resolution.

Roll call vote:

President Amanda Nairn	Yes
Vice President Casey Hurt	Absent
Treasurer Jann Knotts	Yes
Secretary Michael Dean	Yes
Member William Janacek	Yes
Member Roger Frech	Absent
Member Kevin Anders	Yes

Motion Passed

D.4. Financial statements for operating accounts for May 2021, and corresponding Resolution

Treasurer Knotts pointed out \$85,905.00 gain from sale of equipment. The cash position increased by \$160,000 for the month. The Pipeline project expense increased by \$20,000. Ms. Knotts asked where the new storm shelter was installed. Mr. Arthur stated right off the back patio, and he also stated it is a ten-person shelter. Ms. Knotts noted several account items are below budget. The maintenance budget is \$125,000 less and employee salaries have decreased, due to one less employee. Mr. Arthur will have a summary, at the next board meeting, detailing any carryovers and how it all reconciles.

Finding the financial statement in good order as presented, Jann Knotts made a motion seconded by Michael Dean to approve the Resolution.

Roll call vote:

President Amanda Nairn	Yes
Vice President Casey Hurt	Absent
Treasurer Jann Knotts	Yes
Secretary Michael Dean	Yes
Member William Janacek	Yes
Member Roger Frech	Absent
Member Kevin Anders	Yes

Motion Passed

D.5. Amending an employee retirement system, defined benefit plan and joinder agreement and corresponding Resolution

Mr. Arthur reminded the board in December this benefit was approved in the benefit package update. This agreement will make it official to change the vesting period from 10 years to 7 years. Mr. Arthur stated during executive session, in the June meeting, the board agreed to allow the General Manager to participate in the plan. Mr. Dean asked for clarification on the 60 consecutive months clause on page 2 # 5 and page 3 # 7. Mr. Arthur explained that is how one determines the salary benefit one will receive. The benefit calculation is 3% X average monthly compensation X years of service. The compensation is calculated on last 60 months for a vested employee.

Kevin Anders made a motion seconded by William Janacek to approve the Resolution.

Roll call vote:

President Amanda Nairn	Yes
Vice President Casey Hurt	Absent
Treasurer Jann Knotts	Yes
Secretary Michael Dean	Yes
Member William Janacek	Yes
Member Roger Frech	Absent
Member Kevin Anders	Yes

Motion Passed

D.6. Contract between the District and City of Norman and Norman Utilities Authority for temporary water supply and corresponding Resolution

Mr. Arthur stated all contracts for the three cities read the same, unless otherwise requested he would not explain each one individually. At the June board meeting a new contract was approved replacing the existing contract between the Bureau of Reclamation and the District to utilize temporary water when the elevation is greater than 1039'. One of the major changes, that Norman originally requested, that manifest in the new contract, was to allow only water that is used above a city's allocation to be considered temporary water for invoicing purposes. During the process of getting Norman's contract written, Midwest City and Del City expressed their desire to have a contract as well. Mr. Arthur highlighted the substantive provisions starting on page 2 section 10 where the District is required to pay the United States for the amount of Temporary Water delivered that is in excess of Norman's water supply allocation of 43.8 percent of water available from Lake Thunderbird in any one water year. Furthermore, the total amount of temporary water that can be taken in a year (10,000 ac-ft in accordance with the contract with BOR) by any city will be based upon their normal allocation percentage. Therefore, in the case of Norman, 43.8% of the 10,000 ac-ft total would be the maximum allowed to be taken as temporary water in a given year, which would be 4,380 ac-ft.

Additionally, Mr. Arthur pointed out on the last page of the contract there is new language regarding a 25% surcharge, for additional wear and tear on equipment to pump the temporary water. The O&M assessments, that the District bills the cities each year, is based on the normal water supply allocation. To arrive at the 25% surcharge, Mr. Arthur explained he took \$127,500 that is allocated in the FY 2022 budget for plant, dam, pipeline repair and maintenance and looked at on a per thousand-gallon basis. As a District, O& M costs are approximately 1.8¢ per thousand gallons pumped or \$5.90 per ac-ft. According to the District's contract with the BOR for temporary water, the first-year price is \$22.95 per ac-ft, so the \$5.90 equates to approximately 25%. The 25% will remain constant throughout the contract term, but the price per acre-foot of temporary water will fluctuate according to the terms of the District's contract with BOR.

Payment of the permit fee is not addressed in the 3 cities temporary water contracts. Ms. Nairn stated she wants to be transparent. A decision will be forthcoming on procedure for payment of permits. Mr. Arthur stated in the past City of Norman has reimbursed the District for payment of the temporary water permit fee. The \$250 permit expires in 90 days, or it expires when the elevation reaches 1039. Ms. Nairn would like Mr. Arthur to investigate a term permit with OWRB versus the 90-day permit.

Mr. Dean inquired about and expressed some concern regarding how much or if any additional work would have to be performed by the District employees in the event no surcharge was ever collected because a city did not exceed their normal allocation. Mr. Arthur explained lake elevations are recorded every 6 hours and updated in the daily report accordingly, and additional administrative tasks are minimal.

Michael Dean made a motion seconded by Kevin Anders to approve the Resolution.

Roll call vote:

President Amanda Nairn	Yes
Vice President Casey Hurt	Absent
Treasurer Jann Knotts	Yes
Secretary Michael Dean	Yes
Member William Janacek	Yes
Member Roger Frech	Absent
Member Kevin Anders	Yes

Motion Passed

D.7. Contract between the District and City of Midwest City and the Midwest City Municipal Authority for temporary water supply and corresponding Resolution

Ms. Nairn stated the contract reads the same as the other 2 cities.

Mr. Arthur stated Midwest City's allocation is 40.4%.

William Janacek made a motion seconded by Kevin Anders to approve the Resolution.

Roll call vote:

President Amanda Nairn	Yes
Vice President Casey Hurt	Absent
Treasurer Jann Knotts	Yes
Secretary Michael Dean	Yes
Member William Janacek	Yes
Member Roger Frech	Absent
Member Kevin Anders	Yes

Motion Passed.

D.8. Contract between the District and City of Del City and the Del City Municipal Authority for temporary water supply and corresponding Resolution

Del City's allocation is 15.8%.

Michael Dean made a motion seconded by Kevin Anders to approve the Resolution.

Roll call vote:

President Amanda Nairn	Yes
Vice President Casey Hurt	Absent
Treasurer Jann Knotts	Yes
Secretary Michael Dean	Yes
Member William Janacek	Yes
Member Roger Frech	Absent
Member Kevin Anders	Yes

Motion Passed.

E. Discussion

E.9. Legal Counsel's Report

- June 3 prepared and filed Motion to Confirm Transfer of Surplus Property to Tourism Department and filed same with Cleveland County District Court
- June 3 attended monthly board meeting at District offices at Lake Thunderbird
- June 7 reviewed amended schedule of regular meetings of Board
- June 9 file stamped a copy of Order Confirming Transfer of Surplus Property and delivered copy to Kelley Metcalf at District offices
- July 6 finalized draft of temporary water contract for Del City and dispatched same to Beverly Palmer
- July 7 reviewed draft resolutions prepared by Kelley Metcalf
- July 9 prepared and dispatched copy of Legal Counsel report to Kelley Metcalf

E.10. General Manager's Report

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

Mr. Dean recommended checking with our bank to see if they offer a positive pay type system to help assist against fraud on handwritten checks. Mr. Arthur stated he would inquire with BancFirst and report back.

E.11. 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)

Ms. Nairn announced the August Regular Board Meeting will be cancelled.

At the September board meeting it is anticipated to have two presentations, the final presentation on the Floating Wetlands given by the University of Oklahoma Water Survey, and the Yield Study from BOR.

F. Adjourn

There being no further business, President Nairn adjourned the meeting at 7:51 P.M.