

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

Thursday, September 2, 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

Vice President Casey Hurt

Treasurer Jann Knotts

Secretary Michael Dean

Board Member Kevin Anders

Board Members Absent:

William Janacek

Roger Frech

Staff Present:

Kyle Arthur, General Manager

Kelley Metcalf, Office Manager

Tim Carr, Operations & Maintenance Supervisor

Others Present:

Collins Balcome

Anna Hoag

Mark Roberts

Chris Mattingly

Alan Swartz

Virtually:

William Janacek

Don Maisch

James Allard

Matthew Warren

Geri Wellborn

B. Statement of compliance with Open Meeting Act

Kelley Metcalf, Office Manager, stated the notice of the monthly board meeting had been posted in compliance with the Open Meeting Act.

C. Administrative

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

Alan Swartz reported:

- The record drawings are done
- Working thru the final pay application with the contractor
- Negotiating costs associated with weather delays
- Work is complete!

C.2. Presentation of initial Yield Model results and next steps for the Norman Project

Mr. Arthur introduced the Bureau of Reclamation guests. James Allard and Matthew Warren attended the meeting virtually. Collins Balcome and Anna Hoag attended in person. Mr. Balcombe thanked Mr. Arthur for inviting them and taking the reins on this project. Mr. Balcombe stated that the hope is to inform decision making and improve drought resiliency for the District. Mr. Arthur stated that the 3 cities have seen the presentation, although there have been some new additions made, particularly the next steps. Those include some of the things that are planned to help better inform our management of the water supply in Lake Thunderbird and it is a work in progress.

As a matter of background at the beginning of the presentation, Mr. Arthur stated he was approached by Chris Mattingly, City of Norman, not long after arriving in the General Manager's position with a long-standing question regarding the firm yield of Lake Thunderbird. Mr. Arthur consulted with the Bureau of Reclamation and requested that the Norman Project be put on the priority list for evaluation. Mr. Arthur thanked the Bureau of Reclamation for doing just that and for the quick delivery of the initial modeling results.

Please see the presentation included in the Board packet for more detailed information. Mr. Arthur stated that the actual firm yield of the reservoir itself was never originally calculated. What was calculated, however, was a "conjunctive" firm yield of approximately 21,500 ac-ft which included not only the reservoir, but also the available supply from the three cities' groundwater wells at the time. Since then, while the cities manage their supply sources conjunctively, COMCD's management of deliveries from the lake does not directly take into account the groundwater supplies. The District has a water right from the reservoir for 21,600 ac-ft (no one knows where that exact number came from) and currently manages deliveries using that volume. The expectation of the member cities has been that this volume will be routinely available unless drought conditions limit it.

Two model scenarios were run: (1) permit availability and (2) firm yield. The permit availability result showed that the 21,600 ac-ft could have been delivered in 89% of years and 96% of months over the historical period of record. There would have been 10 years where that volume was not deliverable. The second scenario showed a firm yield of 12,700 ac-ft driven by the drought of record in the 1950s.

Mr. Arthur then discussed the path forward given these results. He stated that his recommendation and intent is to continue to manage water deliveries around the permit number of 21,600 ac-ft because the results show that in most years, at least in the past, that would have been deliverable. Furthermore, in most years, if the District limited deliveries to the firm yield, there would be tremendous volumes of water not put to beneficial

use each year. He believes we should maximize use when it is there. However, we should be prepared for how we will respond to years when there are shortages—and that will be the focus of the upcoming work.

The intent is to seek at least two grants from BOR to do four major tasks: (1) determine risk exposure, (2) evaluate risk tolerance, (3) perform drought preparedness planning and finally (4) develop a drought response plan. The vision is to create a tool that will inform the development of lake level triggers which, when combined with short term forecasts, will help to stretch and preserve to the greatest extent possible existing supplies during times of drought.

Mr. Arthur stated that the Partner Advisory Group, including the District, BOR and the cities, will continue to provide input and engagement to upcoming work.

C.3. Report of FY 2021 Budget results and projection for FY 2022

Please see document titled “FY 2021 Year-end budget vs. actual in the packet.

Mr. Arthur stated the FY 20-21 O&M budget was \$1,258,565.00. Expenditures were \$981,073.51. Costs associated with several categories were under budget, such as personnel, professional, maintenance, administrative, and purchasing of assets. Mr. Arthur gave a few examples of why there were certain categories under budget, for example the resignation of an employee during the year and a change in billing frequency for workers comp created a surplus in the Personnel category, not operating the SDOX unit created a surplus in the Water Quality category and being more prudent about necessary expenditures significantly saved in the Maintenance category.

Mr. Arthur then presented information on the forecast through FY 2022. He reminded the Board that in November 2020, a Budgeting Policy was passed to establish a process by which any carryover, or lack thereof, is considered when determining the O&M assessments to each member city annually. “Carryover funds” refer to those monies that are forecasted to be remaining in the operating accounts at the close of the current fiscal year. The policy states that operating accounts total balance carryover shall be maintained between \$750,000 and \$1,250,000. FY 20-21 the carryover was \$1.6 million. In the future, if that is the case, the assessment to the 3 cities would be decreased. President Nairn mentioned that in the last 2 years the District had several expenses that were not assessed to the cities.

Mr. Arthur pointed out 4 items on the projected expenses for FY 22.

1. Additional Del City Pipeline costs of approximately \$115,000 beyond the original Matthews contract and corresponding OWRB loan amount. This is due to weather related issues on the project. Mr. Arthur stated that the District could have borrowed more money than the \$5.6 million contract, but the Board chose to only borrow the actual amount. Therefore, Board approval of additional expenditures will be sought. Negotiations are currently being held as to the final additional cost. This issue will be on a future board meeting agenda for the board to vote on.
2. Retirement contribution adjustment for \$20,500. Mr. Arthur explained the Defined Benefit Plan is over funded, therefore for FY 22 the District will not be contributing. However, on the Customized Manager Option, the District still must match 15%. The \$20,500 was missed during the development of this year’s budget. However, it will not result in an increased assessment to the member cities; the District will pay for it out of surplus funds.
3. Worker’s Comp adjustment. There was a billing change within the work comp company. The District was previously invoiced annually, in April, and somehow the District’s billing frequency was changed to monthly.

This occurrence made the “timing” off, therefore \$11,000 will not be included in the FY 20-21 expenses, but rather in the FY 2022 budget.

4. Possible new hire. The District has had 2 employees out for several weeks. One employee with his own health issues and the other with a son that is very ill. Both are eligible for retirement. Mr. Arthur stated he is trying to be proactive and should the decision to hire a new employee be reached, he would seek Board approval. Mr. Carr, (District supervisor) is currently working on a job description.

In conclusion, Mr. Arthur stated that the current forecast is to have approximately \$900,000 in carryover at the end of FY 2022 which is in line with the Budgeting Policy target guidelines of desired carryover.

Mr. Arthur informed the Board that the District is now invoicing the member cities monthly vs. quarterly. By doing this it provides more steady cash flow.

Mr. Arthur stated he and Treasurer Knotts spoke about taking some of the operating account balance and moving it into a money market to earn a better interest rate. The District’s bank will be sending the paperwork to start this process.

Mr. Dean, at the August meeting, had inquired if the District uses a positive pay system with the bank. Mr. Arthur spoke to Treasurer Knotts, and she supports the District using this service. It is a check writing and ACH fraud protection service. The cost is nominal, \$80 set up fee, and approximately \$50.00 a month. The District’s bank will be sending the paperwork to start the service soon.

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.4. Minutes of the Regular Board Meeting held on Thursday, July 15, 2021, and corresponding Resolution
Treasurer Knotts asked for permission to move this item to follow item # D.6. With no objection President Nairn postponed D.4. to follow D.6.

D.5. Financial statements for operating accounts for June 2021, and corresponding Resolution
Treasurer Knotts pointed out June 2021 is the end of the fiscal year. The Del City Pipeline project expense increased by \$51,220.36. Mr. Swartz stated there will be one more payout for approximately \$16,000.00.

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

Roll call vote:

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

Member Roger Frech	Absent
Member Kevin Anders	Yes

Motion Passed

D.6. Financial statements for operating accounts for July 2021, and corresponding Resolution

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

Roll call vote:

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

Motion Passed

D.4. (postponed from earlier) Minutes of the Regular Board Meeting held on Thursday, July 15, 2021, and corresponding Resolution

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

Roll call vote:

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

Motion Passed

E. Discussion

E.7. Legal Counsel's Report

- July 15 Attended monthly meeting of COMCD board
- July 19 Confirm with Kyle, General Manager, that termination date for temporary water use contracts with member cities coincides with termination date of USBOR contract with COMCD
- July 27 Conference call with Alan Swart, Amanda Nairn and Kyle Arthur about the Del City Pipeline Project additional costs claims from Aegion and Matthews Trenching
- July 27 Conference call with Krystina Phillips, attorney for Arbuckle Master Conservancy District (manager Steven Jolly) about position taken by Oklahoma Water Resources Board filed in a case involving stream water permits and interference
- July 28 Review copy of Matthews Trenching contract
- Aug 23 Confirm with Kyle Arthur that the COMCD can mandate masks for public meetings
- Aug 26 Draft resolution about change order for Del City Pipeline Project additional cost claims
- Aug 27 Draft Legal Counsel report

Mr. Dean inquired if the District owes for the additional costs associated with the weather delays, on the Del City Pipeline Project. Mr. Couch stated discussions and negotiations are being held about the contract and the contract language and acts of God, and how that ties in and to what extent.

President Nairn requested that a written detailed explanation be given to the Board at the next meeting. Mr. Arthur stated it was originally planned to be on the agenda at this meeting, but he caught a technicality that needs to be addressed.

E.8. General Manager's Report

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

E.9. President's report

- President Nairn invited all to sign a card for the James Neyman family. Mr. Neyman is an employee at the District and his son is very ill.
- President Nairn, recently, introduced Scott Martin to Mr. Arthur. Mr. Martin is the City of Norman Chamber of Commerce President. The Chamber has spoke about enhancements at Lake Thunderbird. President Nairn requested that the Chamber keep the other two cities in the loop on all future plans. Mr. Arthur provided Mr. Martin with Midwest City's and Del City's City Manager contact information.
- President Nairn stated the final Wetlands Project presentation is scheduled to be presented at the next board meeting. As soon as the presentation is available it will be emailed prior to the board meeting.

- The fish fry, that was supposed to take place on October 14th, will be postponed, due to the Delta variant. The hope is to reschedule the event soon.

E.10. New business (any matter not known prior to the meeting, and which could not have been reasonably foreseen prior to the posting of the agenda) None

F. Adjourn

There being no further business, President Nairn adjourned the meeting at 9:07 P.M.