

## CALL TO ORDER

The Regular Meeting of the Oklahoma Water Resources Board was called to order by Madam Chairman Jennifer Castillo, on January 16, 2024, at 9:39 a.m. at the Oklahoma Water Resources Board located at 3800 N. Classen Blvd. Oklahoma City, Oklahoma 73118. The meeting was conducted pursuant to the Oklahoma Open Meeting Law with due and proper notice provided pursuant to Sections 303 and 311 thereof. The agenda was posted on January 11, 2024, at 1:30 p.m., at the Oklahoma Water Resources Board's offices at 3800 N. Classen Boulevard, Oklahoma City, Oklahoma.

- A. Roll Call. Madam Chairman Jennifer Castillo welcomed everyone to the meeting and asked for the roll call of members.

\*Due to absence of Secretary Landess, Mr. Stallings was appointed as Secretary by Madam Chair Castillo for this meeting.

### **Board Members Present**

Ron Justice  
Robert L. Stallings, Jr.  
Jennifer Castillo  
Matt Muller  
Tom Gorman

### **Board Members Absent**

Bob Latham  
Darren Cook  
Suzanne Landess

### **Staff Members Present**

Julie Cunningham, Executive Director  
Sara Gibson, General Counsel  
Robby Short, Communication and Marketing Coordinator  
Tamara Lilly, Executive Administrator  
Joe Freeman, Chief, Financial Assistance Division  
Bill Cauthron, Chief, Water Quality Programs Division  
Chris Neel, Chief, Planning and Management Division  
Cleve Pierce, Chief, Administrative Services Division

### **Others Attending**

Mary Stallings  
Randy McDaniel, Bancfirst  
Duane Smith, MPMCD  
Will Archer, MPMCD  
Charlie Swinton, BancFirst  
Bud Ground, EFO  
Remington Butler, Dolese  
Robert Stout, Office of the Governor  
Christian Huff, MFC  
Bodie Bachelor, Centennial Law  
Newakis Weber, Chickasaw Nation

Steven Jolly, AMCD  
Emily Criswell, Centennial Law  
Victoria Tran, SOEE  
Susan Hollandsworth, City of Minco  
William Browning, City of Minco

B. Discussion, Amendments and Vote to Approve Official Minutes of the December 19, 2023, Regular Meeting. Madam Chairman Castillo inquired if all members reviewed the minutes of the December 19, 2023, meeting and if no questions, or changes, requested a motion to approve. No comments or amendments; Mr. Muller motioned to approve, and Mr. Stallings seconded the motion. Madam Chairman Castillo called for the vote.

AYE: Stallings, Justice, Muller, Gorman, Castillo  
NAY: None  
ABSTAIN: None  
ABSENT: Latham, Landess and Cook

C. **Executive Director's Report:**

As of the 14th of January, we are at 143% normal rainfall statewide, and every climate region is normal or wetter for the last 30 days. West Central OK is wettest at 236% normal rainfall. According to NOAA's seasonal drought outlook, most of Southwest and South-Central Oklahoma, as well as a large area in Northeast Oklahoma along the Kansas border, will see persistent drought through March. Crop Moisture Index shows normal to moist conditions statewide, which will be enhanced by snowmelt when we thaw out.

Out of over 2,800 companies participating, OWRB was one of only 2 state agencies that was named to The Oklahoman's list of top 100 companies. Staff from across the agency attended the awards ceremony. We were thrilled to see employee participation in the survey reached a record, 89.8% for 2023. Companies are ranked on survey answers from an anonymous employee satisfaction survey administered by a 3<sup>rd</sup> party.

**2023 Legislative Session:**

Bill: 1331 (S. Bullard) Water Infrastructure Investment Revolving Fund and Grant/Loan program. \$250million. Senator Bullard has asked for our help to craft language that would roll our budget requests for funding to leverage our existing loan programs and fund the REAP grant program. Our ROI estimate is showing a dollar for dollar return on state investment, with an estimated \$508 million in funds available through federal dollars, bond proceeds, and local match.

Bill: SB 1391 (Rogers) Oklahoma Water Resources Board; creating the Arkansas River Levee Improvement revolving fund; making an appropriation.

Bill: SB 1352 Authors: Bullard. Reservoirs; creating the Reservoir Capital Investment Fund and the Water Sustainability Revolving Fund for purposes of reservoir construction; authorizing a fee for water used for growing commercial marijuana.

Bill: SB 1580 Authors: Woods, Tom Summary: Requires a board of county commissioners to intervene when rural water districts face certain emergency issues and authorizes the commissioners to direct a study by the Water Resources Board on sustainability.

HB 8941 (Rep. Newton) well spacing  
HB 8942 (Rep. Newton) Metering

Hb 8943 (Rep. Newton) Critical GW Mgmt. Areas

Bill: SB 1341 Authors: Howard Water and water rights; establishing requirements for basins within a critical groundwater management area.

D. **Financial Update**

Mr. Cleve pierce, Chief Administrative Services Division, presents the budget report for the period ending December 2023. Mr. Pierce reports the agency has spent 51 % of it appropriated budget leaving 49 %; spent 29% of its revolving budget, leaving 71%; has spent 14% of its federal budget, leaving 86 %. Overall, the total budget remaining is 72% with 52% of the year remaining.

2. **FINANCIAL ASSISTANCE DIVISION**

- A. Consideration of and Possible Action on a Proposed Order Approving State Loan Program Revenue Bond Loan Funding Application for the Minco Municipal Authority, Grady County, Oklahoma. Recommended for Approval.

This is a \$7,635,000 loan request from the Minco municipal authority located in Grady County.

They are requesting the loan for transforming their existing wastewater lagoon system into a seasonal discharge and land application process consisting of an irrigation system with center pivot irrigation. The loan will also fund the replacement of old cast iron water mains which will assist in reducing water loss and improve the reliability of their water supply. The loan will be funded through the fap revenue bond loan program with a fixed interest rate and will have a maturity not to exceed thirty years. The loan will be secured with a lien on Minco's water and sewer system revenues, a 3-cent sales tax, and a mortgage. Their debt coverage ratio stands at 1.84 times. Staff recommends approval.

Madam Chairman Castillo asked for additional questions, discussion, or motion. A motion for approval was made by Mr. Justice and Mr. Stallings seconded the motion; Madam Chairman Castillo called for the vote.

AYE: Stallings, Justice, Muller, Gorman, Castillo  
NAY: None  
ABSTAIN: None  
ABSENT: Latham, Landess and Cook

- B. Consideration of and Possible Action on a Proposed Order Approving State Loan Program Revenue Bond Loan Funding Application for Muskogee Municipal Authority, Muskogee County, Oklahoma. Recommended for Approval.

This is a \$82 million loan request from the Muskogee municipal authority. They are requesting the loan for major improvements to their wastewater treatment plant, rehabilitate a sewage pump station, flow equalization basins, and headwork facilities, and demolish facilities that are no longer

in service. The loan will be funded through the fap revenue bond loan program with a fixed interest rate and will have a maturity not to exceed 30 years. We will secure the loan with a lien on Muskogee’s water and sewer system revenues and a half cent sales tax. Muskogee has been a long-time good loan customer of the board’s and they currently have five outstanding loans with you with a combined balance of approximately \$48.7 million. Their debt coverage ratio stands at 1.5 times. Staff recommends approval.

Madam Chairman Castillo asked for additional questions, discussion, or motion. A motion for approval was made by Mr. Stallings and Mr. justice seconded the motion; Madam Chairman Castillo called for the vote.

AYE: Stallings, Justice, Muller, Gorman, Castillo  
 NAY: None  
 ABSTAIN: None  
 ABSENT: Latham, Cook, Landess

**3. SUMMARY DISPOSITION AGENDA ITEMS**

All the items listed below under this Summary Disposition Agenda are recommended for approval. Any item listed under this Summary Disposition Agenda may, at the request of any member of the Board, the Board’s staff, or any other person attending this meeting, be transferred to the Special Consideration Agenda. Under the Special Consideration Agenda, separate discussion and vote or other action may be taken on any items already listed under that agenda or items transferred to that agenda from this Summary Disposition Agenda.

Request to transfer items from Summary Disposition to the Special Consideration Agenda and Action on whether to transfer such items.

Discussion, questions, and responses pertaining to any items remaining on Summary Disposition agenda and possible action items listed below.

- A. Requests to Transfer Items from Summary Disposition Agenda to the Special Consideration Agenda and Action on Whether to Transfer Such Items.
- B. Discussion, Questions, and Responses Pertaining to Any Items Remaining on Summary Disposition Agenda and Possible Action on Items Listed Below.
- C. Consideration of and Possible Action on Financial Assistance Division Items:
  - 1. Emergency Grant Applications:  
None.
  - 2. Rural Economic Action Plan (REAP) Grant Applications:

<u>Item No.</u>	<u>Application No.</u>	<u>Entity Name</u>	<u>County</u>	<u>Amount Recommended</u>
NODA				
a.	FAP-24-0091-R	Waukomis Works Authority	Public Garfield	\$ 79,900.00

3. CWSRF Principal Forgiveness Loan Applications:  
None.
4. DWSRF Principal Forgiveness Loan Applications:  
None.
5. Sewer Overflow and Stormwater Reuse Municipal Grants (“OSG”)  
None.
6. American Rescue Plan Act (ARPA) Grant Applications:

<u>Item No.</u>	<u>Application No.</u>	<u>Entity Name</u>	<u>County</u>	<u>Amount Recommended</u>
a.	ARP-23-0196-G	Ochelata Utilities Authority	Washington	\$ 999,330.50
b.	ARP-23-0088-G	Atoka Municipal Authority	Atoka	\$ 1,000,000.00
c.	ARP-23-0108-G	City of Crescent, Oklahoma	Logan	\$ 1,000,000.00
d.	ARP-23-0057-G	City of Holdenville	Hughes	\$ 1,000,000.00
e.	ARP-23-0054-G	City of Lexington	Cleveland	\$ 1,000,000.00
f.	ARP-23-0065-G	City of McLoud	Pottawatomie	\$ 1,000,000.00
g.	ARP-23-0035-G	Rural Water District No. 3, Muskogee County, Oklahoma	Muskogee	\$ 1,000,000.00
h.	ARP-23-0075-G	Rural Water, Sewer, Gas, and Solid Waste Management District No.	Pittsburg	\$ 1,000,000.00

14, Pittsburg County,  
Oklahoma

i.	ARP-23-0107-G	Town of Keota	Haskell	\$ 1,000,000.00
j.	ARP-23-0109-G	The Wright City Public Works Authority	McCurtain	\$ 1,000,000.00
k.	ARP-23-0111-G	The McAlester Public Works Authority	Pittsburg	\$ 2,000,000.00
l.	ARP-23-0012-DTG	Buckhorn Rural Water District No. 2, Murray County, Oklahoma	Murray	\$ 4,166,667.00
m.	ARP-23-0011-DTG	Arbuckle Master Conservancy District	Murray	\$ 6,250,000.00

D. Consideration of and Possible Action on the Contracts and Agreements:

1. Sponsored Research Agreement between the Board or Regents of the University of Oklahoma and the OWRB providing for the modernization and migration of OWRB Geospatial Resources.
2. Contract for Professional Services between HISINC, LLC and OWRB to administer, manage and implement floodplain administration training and other assignments as requested by OWRB.

E. Consideration of and Possible Action on Applications for Temporary Permits to Use Groundwater:

1. Town of Breckinridge, Garfield County, 2023-511
2. Woolfolk Feeders, LLC, Harper County, 2023-536
3. Stable Group, LLC, LeFlore County, 2023-551
4. Weston and Carly Kay, Harmon County, 2023-579
5. Iron Horse Midstream, LLC, Grady County, 2023-593

F. Consideration of and Possible Action on Applications to Amend Temporary Permits to Use Groundwater:

1. David and Heather Friesen, Major County, 2014-543

G. Consideration of and Possible Action on Applications for Regular Permits to Use Groundwater:

1. Brent and Shawna Evans, Beaver County, 2023-561

H. Consideration of and Possible Action on Applications to Amend Regular Permits to Use Groundwater:

None

I. Consideration of and Possible Action on Applications to Amend Prior Right to Use Groundwater:

1. Eric Edward and Paula Irene Miller, Major County, 1968-255B

J. Consideration of and Possible Action on Applications to for Term/Seasonal Permits to Use Stream Water:  
None

K. Consideration of and Possible Action on Applications for Regular Permits to Use Stream Water:

1. Duck Mecca, LLC, Rogers County, 2023-001

- L. Consideration of and Possible Action on Applications to Amend Regular Permits to Use Stream Water:  
None
- M. Consideration of and Possible Action on Well Driller and Pump Installer Licensing:
  - 1. New Licenses, Accompanying Operator Certificates and Activities:  
None
  - 2. New Operators, Licensee Name Change, and/or Activities for Existing Licenses:  
None
- N. Consideration of and Possible Action on Dam and Reservoir Construction:
  - 1. Penz Dam, #OK30625, Bryan County
  - 2. Bull Pond No. 2, #OK30626, Garvin County
  - 3. Jim Hall Lake, #OK10237, Okmulgee County
- O. Consideration of and Possible Action on Permit Applications for Proposed Development on State Owned or Operated Property within Floodplain Areas:  
None
- P. Consideration of and Possible Action on Applications for Accreditation of Floodplain Administrators:
  - 1. Mark Anderson, Grady County, #FPA-841
  - 2. Sheila Zerr, Noble County, #FPA-819
  - 3. Jonathan Teague, Sequoyah County, #FPA-572

Madam Chairman Castillo asked for additional questions, discussion, or motion. A motion for approval was made by Mr. Gorman and Mr. Muller seconded the motion; Madam Chairman Castillo called for the vote.

AYE: Stallings, Justice, Muller, Gorman, Castillo  
 NAY: None  
 ABSTAIN: None  
 ABSENT: Latham, Landess and Cook

**4. PUBLIC HEARING ON PROPOSED NEW AND AMENDED PERMANENT RULES OF THE BOARD** **Chairman Jennifer Castillo**

a.) Staff Presentations on Amendments to Permanent Rules Proposed for Adoption During 2024

1. a. Summary of Proposed Amendments to Chapter 5 – Fees - Mr. Zachary Hollandsworth

Subchapter 1. General Provisions  
 785:5-1-9. Dam safety and inspection fees [AMENDED]

b. Questions and Discussion by Board Members

2. a. Summary of Proposed Amendments to Chapter 20 – Appropriation and Use of Stream Water – Mr. Chris Neel

Subchapter 13. Interference Conditions at Bureau of Reclamation Reservoirs [NEW]  
785:20-13-1. Definitions  
785:20-13-2. Lugert-Altus Reservoir  
785:20-13-3. Tom Steed Reservoir  
785:20-13-4. Notification of interference

b. Questions and Discussion by Board Members  
 c. Public Comments

\*Public comments were made by two meeting attendees. Their comments are below:

- 1.) Will Archer: *“I am Will Archer, and I am the manager for the Mountain Park Master Conservancy District that is over Tom Steed Reservoir, and we provide water to Altus, Fredrick, and Snider. I want you to know these aren’t just rules, 40,000 people in SW Oklahoma count on this water on a daily basis. Most of them rely on it 100% with no alternative for other water sources. So, I want you to know these rules came from, ah, you know the basin study? The Red River Basin Study that started with the SW action plan. The SW action plan started with Altus Airforce Base being voted the worst military installation in the United States due to lack of water. So, I think that’s a big deal, that that military base was at risk, and this wasn’t voted by SW Oklahoma, the Pentagon said that Altus Airforce base was the worst military installation in the country due to lack of water. And so, these rules come in not only to protect the 40,000 people but protect things such as Altus Airforce Base and the Department of Defense investment in that. And so, this rule is a step in a long journey, this a step in the right direction. I believe that these rules are legacy work and I believe its something that provides resilience for SW Oklahoma, it provides reliability for my kids and my grandkids, and these are things that we have to do, because what we saw prior to these rules, was we saw Altus, Altus Airforce Base, Fredrick, Oklahoma, reduce their usage by 40% of their normal everyday use and upstream users never had to reduce in 2011, not 1%. And we held a senior water right in SW Oklahoma, and those cities had to reduce, we had to shut businesses down right in Altus, Oklahoma, we weren’t able to open business due to lack of water. You had upstream users never had to reduce one single percent. You know, these rules are a step in the right direction, I do believe it’s a journey, I do believe it’s a process. But I want you to understand these aren’t just rules, this is protection for SW Oklahoma, this is protection for Department of Defense, this is protection for a military installation that is vital to the survival of Altus, Oklahoma. So, as a Mountain Park Conservancy District and the manager there, I’ve never managed anything but a drought it seems like and I’ve been there 12 years, so I want you to know that we’re excited about these rules, that these rules are legacy work and their based, not on our opinion, not on the Boards opinion, but these rules are based on the science. And what we found through a great partnership and the Red River Basin Study where we saw the districts Lugert Altus, Tom Steed Reservoir, Oklahoma Water Resources Board and the Bureau of Reclamation and we got in this and we said Hey, let’s see what the science says and let’s do what’s best for SW Oklahoma and I believe these rules are the first step in a long journey protecting water for SW Oklahoma.”*
  
- 2.) Duane Smith: *“Good morning, my name is Duane Smith, I’m a consultant for the Mountain Park Master Conservancy District and I want to talk just a little bit about the question of those permits upstream. So, back when the drought hit, so back when Tom Steed Reservoir was built, the articles in the newspaper were we solved our water problems forever in SW Oklahoma. And so what we do in our water law is we issue water rights for a reservoir and a community purchases that reservoir and builds that reservoir so that it will have water during the worst drought of record. Then we issue water rights upstream of that reservoir for the average annual flow in the reservoir and that is what’s happened all across Oklahoma and so what we found in the study that we did with the Bureau of Reclamation, which was \$3 Million dollars and over eight years, I don’t think there’s any way the State or certainly the district could have afforded the technical work that was done here. But what we found is that if we continue to issue those water rights upstream with those reservoirs, it diminishes the yield of that reservoir, so what that means to Tom Steed, as we issue more water rights upstream, it diminishes the percentage of time that the City of Altus could have water during the worst drought of record. So this, this is a huge step forward. I think Julie, probably the biggest step toward sustainability in a long long time in Oklahoma water law and I think Chris, your staff and Chris did such an important piece, he’s been to numerous meetings, he’s worked with Reclamation technical staff, and they’ve come up with this rule that follow that upper Red River Basin accordingly. And as Will said, there’s other things in that report that are recommended, so this is one step, this one step in the right direction. And we want to thank staff of the Water board, we want to thank the Board for considering the rule, and would hope that you approve this rule and send it on to the legislature and the Governor. Thank you.”*



3. a. Summary of Proposed Amendments to Chapter 25 – Dams and Reservoirs –  
**Mr. Zachary Hollandsworth**

Subchapter 3. Responsibility, Classification and Design Standards

785:25-3-2. Owner's responsibility [AMENDED]

785:25-3-6. Minimum spillways performance standards [AMENDED]

785:25-3-7. Minimum outlet conduit capacities [AMENDED]

Subchapter 5. Applications and Approval of Construction

785:25-5-1. Application and fee required [AMENDED]

Subchapter 7. Post Approval Actions

785:25-7-6. Notice of completion and filing of supplementary drawings or descriptive matter [AMENDED]

785:25-7-7. Emergency action plans

Subchapter 9. Actions After Construction

785:25-9-1. Inspection of dams [AMENDED]

Appendix A. JURISDICTION OF BOARD BY SIZE AND HAZARD CLASSIFICATION

b. Questions and Discussion by Board Members

4. a. Summary of Proposed Amendments to Chapter 30 – Taking and Use of Groundwater – Mr. Chris Neel

Subchapter 3. Permit Application Requirements and Processing

785:30-3-4. Notice of application [AMENDED]

b. Questions and Discussion by Board Members

5. a. Summary of Proposed Amendments to Chapter 50 – Financial Assistance –  
**Mr. Joe Freeman**

Subchapter 15. Waste and Wastewater American Rescue Plan Act (ARPA) Grant Program Requirements and Procedures

785: 50-15-6. Disbursement of funds [AMENDED]

Subchapter 17. Oklahoma Dam Rehabilitation (OKDR) Grant Program Requirements and Procedures

785: 50-17-8. Disbursements of funds [AMENDED]

Subchapter 19. American Rescue Plan Act Tribal Cooperation Grant Program Requirements and Procedures

785: 50-19-6. Disbursement of funds [AMENDED]

a. Questions and Discussion by Board Members

b. Comments from the public

5. **SPECIAL CONSIDERATION**

**Chairman Jennifer Castillo**

A. Consideration of and Possible Action on Items Transferred from Summary Disposition, if any.

6. **New Business**

**Chairman Jennifer Castillo**

a.) No New Business to report

Under the Open Meeting Act, this agenda item is authorized only for matters not known about or which could not have been reasonably foreseen prior to the time of posting the agenda or any revised agenda.

**7. ADJOURNMENT**

There being no further business, Madam Chairman Castillo adjourned the regular meeting of the Oklahoma Water Resources Board at 11:05 a.m. a.m., on January 16, 2024. The next regular meeting of the Oklahoma Water Resources Board will be held on Tuesday February 20, 2024, at 9:30 a.m., at the Oklahoma Water Resources Board located at 3800 N. Classen Blvd., Oklahoma City, Oklahoma 73118.

**OKLAHOMA WATER RESOURCES BOARD**

\_\_\_\_\_  
Jennifer Castillo, Chairman

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Thomas Gorman, Vice Chairman

\_\_\_\_\_  
Matt Muller

\_\_\_\_\_  
Darren Cook

\_\_\_\_\_  
Ron Justice

\_\_\_\_\_  
Bob. Latham

\_\_\_\_\_  
Robert L. Stallings, Jr.

***ATTEST:***

\_\_\_\_\_  
Suzanne Landess, Secretary (SEAL)

