

MINUTES OF THE REGULAR BOARD MEETING  
CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT

Thursday, November 3, 2022

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  
Rob Lockard  
Paul Streets  
Carrie Evenson  
Mark Roberts  
Alan Swartz

Virtually:

Lori Johnson  
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**

### 1. Public Comment

None

### 2. Update on Capital Expenditure and Emergency Fund investment account from Rob Lockard, of LPL Financial

Mr. Lockard gave a general overview of the investment portfolio. The portfolio's value is \$3.8 million. The bulk of the portfolio is corporate bonds that generate semi-annual interest, which represents, over 12 months approximately \$113,000 cash flow coming in. Those earnings are being deposited monthly into the General Operating account. Mr. Lockard noted, along with Ms. Knotts and Mr. Arthur, that our current portfolio balance is being adversely affected by current market conditions, in particular our equity fund investments. Mr. Lockard reported that two bonds will mature in December, and one will mature in February. He stated those could be repositioned at a higher interest rate. He also said the District may consider short term CD's. He will consult with the Treasurer and General Manager and make recommendations.

Ms. Knotts informed the Board that we recently purchased a Treasury (T) bill. Mr. Arthur stated that the yield for the T-bill is 4.55%. Ms. Knotts and Mr. Arthur acknowledged the recommendation made by Mr. Dean to investigate this option. The T-bill, however, is not a part of this particular investment portfolio.

### 3. Discussion regarding replacement of a portion of the Del City Pipeline west of Tinker Air Force Base

Ms. Nairn explained it had been previously decided by the District to not replace, as a part of the recent Del City Pipeline replacement project, a portion of the pipeline that traverses across Tinker Air Force Base property (approximately 1 mile in length) plus a 640 linear foot (LF) segment that is located off Tinker property to the west, under Air Depot Boulevard, and connected directly to the line crossing Tinker.

As a matter of background and history, Mr. Arthur stated that the original Del City line on this property was relocated to a new alignment on the north part of the property in the early 1970's to allow for the construction of the General Motors Assembly plant. This plant has since closed and is now Tinker AFB property. The 70s relocation included not only the line that was on the GM property, but also included the additional 640 LF west. For a number of years, it has been the intent of Tinker, who now owns the former GM property, to relocate the pipeline that runs across their property themselves a second time

to allow for further expansion. Knowing this, the District did not pursue replacement of this segment as a part of their recent project. Furthermore, the District originally decided to not proceed with replacement of the remaining 640 LF since this segment of pipe had never had any issues. The Department of the Air Force, utilizing the engineering and contracting services of the US Army Corps of Engineers (USACE), officially starting the bidding process for their relocation in early 2021.

Despite the decision of the past, Mr. Arthur thought the subject was worth revisiting and felt that Tinker's relocation project could provide the opportunity to replace, if decided by the Board, this 640 LF. The primary benefits would be that the entire Del City line would then be rehabilitated, and that potential cost savings could be realized by sharing some expenses, most notably the excavating work needed for both the Tinker project and the District's 640 LF. Additionally, and importantly, Mr. Alan Swartz of Plummer thought there was a high likelihood that the pipe used for the 640 LF could be prone to failures (see further discussion below). Mr. Arthur held discussions with the USACE and the Bureau of Reclamation regarding the possibility of joining the two projects from a bidding, contract management and funding perspective. All parties agreed and an RFP was ultimately issued by the USACE that included a bid option for the 640 LF.

Meanwhile, to help inform the Board's discussions, Mr. Arthur asked Plummer & Associates to provide a recommendation on replacement and an Opinion of Probable Construction Cost (OPCC) for the District's portion of the project. The opinion rendered was a recommendation to replace the 640 LF due to the waterline possibly reaching the end of its projected life and arguably more importantly the fact that the pipe used was thought to likely be C-301 type. C-301 pipe of this vintage from a certain manufacturer has been known to have failure problems, as mentioned in the previous paragraph. This manufacturer was Interpace Corporation who supplied this pipe across the country during this time for a number of projects, including some locally. Specifically, Interpace C-301 pipe manufactured during this period suffered from faulty Class IV prestressing wire which resulted in a significant number of pipeline failures. While no definitive information was found in the files, record drawings or other information to directly indicate that in fact this pipe was supplied by Interpace, there were other references in the documents to Interpace. As a result, there became a heightened concern that this pipe could in fact be C-301 manufactured by Interpace. The recommendation did note that the pipe was operating at low pressures—due to lower flows—and that this could mitigate some concerns. Plummer's OPCC was a low base bid \$363,300.00, and high base bid \$599,000.00. The matter was put on hold pending the results from the USACE's RFP process.

Within the last two weeks the USACE notified the District that the cost estimate based upon the bids that they had received was \$845,000 for the bid option, significantly higher than estimated or anticipated. As a result, conversations were held between Mr. Swartz, Mr. Arthur, and Ms. Nairn to evaluate additional options. Those discussed included: #1 hiring Pure Technologies to run a smart ball in the pipe to evaluate the condition of the suspected C-301 pipe (cost \$150,000), #2 use a potentially less expensive technique called Cured In Place Pipe (CIPP), and #3 soliciting our own bids to replace the line, therefore not exercising the USACE bid option.

Shortly thereafter, Mr. Swartz attended an unrelated meeting with Pure Technologies and discovered that the District, in 2014, hired Pure to perform an inspection on the entire Del City Pipeline. The report

was found in the archives of the District's records. This inspection, however, did not utilize the same method as the one being discussed as an option for this project, nonetheless it contained some helpful information. Mr. Swartz also discovered that Pure had the original pipe lay schedule for the relocation in the 1970s, which as mentioned previously, included the 640 LF. Mr. Swartz had heretofore been unable to locate this information. Upon review of it, the pipe lay schedules revealed that it was not C-301 pipe, but rather B-303. This pipe has not had the same failure issues.

Mr. Arthur stated that he would not recommend proceeding with replacing the 640 LF at this time. He said his recommendation is based upon the fact that (1) the 640 LF is in fact not the problematic C-301, (2) the cost is extremely high (well over \$1000/LF) and (3) the inspection by Pure in 2014 revealed no leaks in that segment of pipe. Mr. Swartz concurred. Mr. Arthur updated the Board that the USACE is preparing to award the contract for construction and the District will have 120 days from the award date to notify USACE of its intention to exercise the bid option. The award date is expected to be mid-November 2022.

As a matter of additional information, Mr. Arthur reminded the Board that, in January 2022, he submitted a request to the state for \$500,000 of American Rescue Plan Act (ARPA) funds for this line, should the Board decide to pursue replacement. He had not heard any update regarding the status of that request until just in the past week. Mr. Arthur recently learned that the Oklahoma Water Resources Board has received \$436 million of American Rescue Plan Act funds from the Legislature to finance various water-related projects across the state. Of that amount, Master Conservancy Districts (MCDs) have \$7 million earmarked. The current plan being discussed by the MCD's is to divide the amount evenly between the Districts. Mr. Arthur stated there is a meeting on November 29th to learn more and to discuss further with the other MCDs. No final decisions have been made. The funds must be expended by December 2026. Mr. Arthur stated that it is possible that this money could be used for the 640 LF project, should the Board decided to proceed with the project.

Ms. Nairn stated it is planned to have the subject of the Del City Pipeline west of Tinker Air Force Base on the December agenda as an action item.

**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, October 6, 2022, and corresponding Ms. Knotts requested some additional language in paragraph one and two. Ms. Knotts gave Ms. Metcalf the requested changes. The changes were as follows: in paragraph one, add the word "annual" between "is the" and "amount"; in paragraph two, add "to recognize the annual revenue on a monthly basis to be more in line with the monthly billings to the cities" to the end of the first sentence.

Jann Knotts made a motion to amend the minutes with the additional language. Michael Dean seconded the motion, and the Resolution was approved.

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. Financial statements for operating accounts for September 2022, and corresponding Resolution

Ms. Knotts stated the bookkeeper has been asked to change the accounting method for assessment income and power income to monthly accrual basis, as per the Board wishes from the previous meeting. However, that change is not reflected here but will be reflected on the October financials.

Ms. Knotts pointed out in account 4926 (DWSRF Interest, Pipeline) there is a \$69,971.88 entry. This loan is paid twice a year. The bookkeeper will be asked to make a change to show monthly accrual-based income on this as well.

Mr. Ballew asked if interest was paid on the escrow account with BancFirst on this loan. Mr. Arthur said he did not believe so but was not entirely sure and would check.

Finding the financial statements in good order Jann Knotts made a motion seconded by Edgar O'Rear 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*

6. Authorization for General Manager to proceed with the formal process to obtain funds from Oklahoma Water Resources Board for sampling for contaminants of emerging concern, and corresponding Resolution

Mr. Arthur reminded the Board that the subject of this agenda item was discussed in detail at the last Board meeting as a Discussion item. The agenda item this month is to officially authorize him to proceed with the process to obtain the funds.

Mr. Arthur did state that, since the last meeting, he received a call from the Oklahoma Turnpike Authority's (OTA) project management consultant who notified him that the OTA has committed to building one or more treatment wetlands if the turnpike is built. Therefore, Mr. Arthur said there seems to be some positive momentum building regarding the likelihood of wetlands being constructed for which this monitoring information could prove useful.

According to Lori Johnson from the OWRB who attended the meeting and spoke, the funding is available now, there is \$755,000 total available and whatever amount is obligated must be spent within two years. Mr. Arthur said the ultimate decision to proceed with acquiring the funds would be when the Board votes on an actual funding agreement with the OWRB. Ms. Johnson stated the costs are 100% reimbursable, however, the funds are available on a cost incurred basis, there are no monies advanced. Requests for funds will have to be submitted after invoices are received from the contractor and payment will be made to the District and the District will pay the contractor.

Ms. Nairn stated, if approved tonight, the project would go out for bid, and she would appoint a subcommittee of board members along with Mr. Arthur to review the proposals and come back to the board with recommendations. The next step after that would be to formally make application for the funds and then ultimately enter into a funding agreement, if approved.

Edgar O'Rear 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*

Ms. Nairn asked Mr. O'Rear, Mr. Carano, and Mr. Ballew if they would be willing to serve on the subcommittee. Hearing no objection, they will serve on the subcommittee.

**E. Discussion**

7. Legal Counsel's Report

- Oct 6 Communication to Kyle Arthur about draft records retention policy and attend monthly monthly meeting of Board of Directors
- Oct 27 Review draft resolutions and agenda for November monthly board meeting and prepare and dispatch Legal Counsel report

8. General Manager's Report

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

9. President's Report

None

- 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 8:30 P.M.