

Minutes of the Regular Meeting of the
Board of Directors,
Cleveland County Rural Water District No. 1

Thursday, August 9, 2018

The agenda for the meeting was posted at the meeting location on August 8, 2018 at 9:10 am.

1. Call to order and roll call

The meeting was called to order by Chairman Richard Murnan at 7:06 pm. Board members present were Jeannie Salmon, Robert Grisham, Tammy Koehn, Gary Koehn, and Richard Murnan. Board members David Standridge arrived during agenda item #2 and Richard Tarp was absent.

2. Consider actions in support of construction

- a. Oklahoma Electric Cooperative (OEC) work on the three-phase power is scheduled for the week of August 13, 2018.
- b. The issue with the Oklahoma Department of Transportation (ODOT) efforts to secure right-of-way easements along SH39 between 156th and 180th is still ongoing. Poe and Associates have been in contact with Robert Blackwell, Chief of the Utilities and Right-of-Way Branch of ODOT and monitoring the progress.
- c. Lopez Fencing is currently working the needed fence along 168th Street. They are also re-working the Lexington Wildlife Management Area entrance along 168th and then move to the entrance along 180th Street.
- d. As of the July 25, 2018 closing with the United States Department of Agriculture / Rural Development (USDA/RD) loan/grant, the \$2,572,977.86 due BancFirst for interim financing was paid in full.

3. Consider requests for expenditure

Motion was made by Robert Grisham and seconded by Gary Koehn to approve M&T Septic and Backhoe Change Order #3 for \$50,095.00. The roll call vote was unanimous in favor and the motion carried. This Change Order #3 will be forwarded on to the USDA/RD for consideration and, if approved, will be include in the next M&T Septic and Backhoe Pay Application (i.e., Pay Application #7 for August expenditures).

Motion was made by Jeannie Salmon and seconded by Tammy Koehn to approve M&T Septic and Backhoe Pay Application #5 for \$475,959.41. The roll call vote was unanimous in favor and the motion carried.

Motion was made by Richard Murnan and seconded by Robert Grisham to approve Layne Christensen Pay Application #4 for \$122,246.00. The roll call vote was unanimous in favor and the motion carried.

Motion was made by Gary Koehn and seconded by Jeannie Salmon to approve Elite Towers Pay Application #6 for \$33,915.00. The roll call vote was unanimous in favor and the motion carried.

Motion was made by Jeannie Salmon and seconded by David Standridge to approve Poe & Associates Pay Application #7 for \$12,075.00. The roll call vote was unanimous in favor and the motion carried.

Motion was made by Tammy Koehn and seconded by David Standridge to approve the Inspector Pay Application #7 for \$9,817.50. The roll call vote was unanimous in favor and the motion carried.

Motion was made by David Standridge and seconded by Jeannie Salmon to approve the second installment payment for Legal Work to Terry Hawkins for \$5,071.70 and Cheryl Clayton for \$5,071.70 for a total of \$10,143.40. The roll call vote was unanimous in favor and the motion carried.

Motion was made by Richard Murnan and seconded by Gary Koehn to approve a \$497.00 payment for an easement (497 ft in length x 10 ft wide for \$0.10 per square foot) on the St. Clair property located on 156th Street between Box Road and Edge of the Earth Road. The roll call vote was unanimous in favor and the motion carried. The easement was necessary to reach two meters on properties with no utility easement access to 156th Street.

Motion was made by Tammy Koehn and seconded by Robert Grisham to approve a \$5.00 reimbursement to Richard Murnan for a cash deposit in the First Fidelity Construction account (cash receipt provided). The cash deposit covered a \$3.34 shortage which occurred from a \$3.00 bank wire fee difference between a \$12.00 incoming wire fee and a \$15 outgoing wire fee. The BancFirst interim loan payoff on July 25, 2018 was our first outgoing wire.

Motion was made by Jeannie Salmon and seconded by Robert Grisham to pre-approve a \$125.00 payment to Poe & Associates for a hydraulic study for the Clifford Dover property located off 156th Street. The roll call vote was unanimous in favor and the motion carried. For reference, this new meter is in addition to the first meter planned on an adjacent property owned by his wife, Gwenneth Dover.

4. Review external interactions since last regular Board meeting

- a. July 18, 2018 meeting with the Oklahoma Department of Corrections (ODOC) in the morning and the Oklahoma Military Department (OMD) in the afternoon.
- b. During the ODOC meeting with Joe Albaugh (ODOC-Director) and Scott Crow (ODOC-Director of Operations), we covered several items of mutual interest. ODOC is aware of the unmetered 8" water main that is supplying water to the Lexington Army Aviation Facility. They will be reviewing their facilities at the Lexington Assessment and Reception Center (LARC) and the Joseph Harp Correction Center for improvement in plumbing and transportation water mains.
- c. During the OMD meeting, our discussions covered the items needed to activate the M&T Septic and Backhoe contract alternate option #1 which would be covered by a tap fee equal to the cost for option #1. The OMD must first obtain the land rights beneath the southern half of their one-half mile main entrance which is currently on ODOC property.

5. Accept minutes of past meeting

The Board accepted the minutes of the July 12, 2018 regular meeting with changes to agenda item #11 (changed “was” to “is”) and agenda item #14 (capitalize the “t” in “Tammy Koehn”). Motion to accept was made by Robert Grisham and seconded by David Standridge. Vote was unanimous in favor and the motion carried.

6. Chairman’s report

The Chairman reported on several items:

- a. As of July 25, 2018, the District closed on the interim financing with BancFirst. The total amount of \$2,572,977.86 was wired directly from the First Fidelity Construction account and applied as a complete payoff of the BancFirst interim financing loan.
- b. The USDA/RD on the morning of July 25, 2018 had wired \$2,963,636.96 to add to our Construction account previous balance of \$0.46. The new balance of \$2,963,637.42 was \$3.34 less than our expenditures of \$2,572,977.86 for the BancFirst interim financing loan payoff, \$10,143.40 for Legal fees, \$380,504.50 worth of Pay Applications approved at the July 12, 2018 Regular Board meeting, and a \$15.00 outgoing First Fidelity wire fee. To cover the \$3.34 shortage, Richard Murnan deposited \$5.00 into the Construction account on August 8, 2018 (receipt provided for reimbursement).
- c. As per the July 25, 2018 USDA Loan Closing document, our first loan payment will be August 25, 2020. Payment would be \$10,278 (\$8,893.00 on the \$2,512,000 loan at 2.75% and \$1,385.00 on the \$399,000 loan at 2.625%).
- d. As part of the July 25, 2018 Loan Closing filing process, the District provided three District checks written to:
 - i. the Cleveland County Clerk office (the County Clerk office waived the filing fees, the check was not used, and at the District’s request, the check was destroyed by Cheryl Clayton),
 - ii. the Secretary of State office for a \$25.00 payment required in filing a Mortgage, and
 - iii. a \$20.00 payment to the Secretary of State office for a lien search.Cheryl Clayton handled the County filing and Terry Hawkins handled the Secretary of State filings.
- e. Waiting list is now active. Information from interested rural residents should be forwarded to Tammy Koehn.

7. Vice Chairman’s report

The Vice Chairman had no items to report.

8. Secretary’s report

The Secretary reported several documents were submitted to the Record:

- a. The May 10, 2018 original signed minutes.
- b. Closing Documents (Dry Closing July 19, 2018 – originals)
 - i. \$0.399M Promissory Note
 - ii. \$2.512M Promissory Note
 - iii. Dry Closing Cover Letter from Terry Hawkins (Bonding Attorney)
 - iv. Closing Instructions from Terry Hawkins

- v. Mortgage Document
- c. Closing Documents (Actual Closing July 25, 2018)
 - i. Loan Graduation Letter

9. Treasurer's report

The Treasurer, in his absence, provided a summary to the Chairman to read of financial transactions since the July 12, 2018 regular meeting. The Chairman reported the current funds as of the last day of July 2018 in the amounts of \$32,909.77 in the Super T account and \$3,277.17 in the District's checking account. The USDA/RD construction checking account with First Fidelity Bank reported the current funds as of the last day of July 2018 were \$10,140.06.

Motion was made by Tammy Koehn and seconded by Gary Koehn to accept the Treasurer Report. Roll call vote was unanimous in favor.

10. Consider actions related to construction financing

District will need to pull all items to be considered for payment and submit to the USDA/RD for payment.

11. Consider date and place of next regular meeting

The Chairman announced that the next regular Board meeting is scheduled for 7 pm on Thursday September 13, 2018 at Corbett Baptist Church.

12. Identify prior actions and agenda items for next regular meeting


- Fencing status along 180th and 168th Streets.
- Lexington Wildlife Management Area access is closed to construction starting October 1.

13. Public comments

One visitor was present until agenda item #5, Richard Grotte with Poe and Associates was present to submit the August change order and pay applications.

14. Adjourn

The meeting was adjourned at 8:55 pm with a motion by Tammy Koehn and seconded by Jeannie Salmon. Vote was unanimous in favor and the motion carried.



Tammy Koehn, Secretary
Cleveland County Rural Water District #1