

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

Thursday August 8, 2019

The agenda for the meeting was posted at the meeting location on August 7, 2019 @ 8:46 am.

**1. Call to order and roll call**

The meeting was called to order by Chairman Richard Murnan at 7:01 pm. Board members present were Tammy Koehn, David Standridge, Robert Grisham, Gary Koehn, and Richard Murnan. Board member Jeannie Salmon arrived during agenda item #2.

**2. Accept minutes of past meetings**

Meeting minutes for past special meeting held on April 25, 2019 was not available.

A motion was made by Robert Grisham to approve the Regular Meeting Minutes from the July 11, 2019 meeting. David Standridge seconded the motion with no corrections necessary. A voice vote was taken, and all were in favor.

**3. Consider actions in support of construction**

- a. Motion was made by Richard Murnan and seconded by Jeannie Salmon to approve a resolution to request available USDA/RD project Contingency funds for the purpose of covering Oklahoma Department of Wildlife Conservation project damages within the Lexington Wildlife Management Area. The amount requested is \$58,069.92 for damages for buried water line, buried electric service, and new roads. The roll call vote was unanimous in favor and the motion carried.
- b. Motion was made by Tammy Koehn and seconded by David Standridge to approve a resolution to request available USDA/RD project Contingency funds for the purpose of purchasing land for an office/shop, abstract, attorney fees, and reimburse the District for land surveyor fee. The amount requested is not to exceed \$26,000. The roll call vote was unanimous in favor and the motion carried.
- c. The City of Lexington remote valve is now moving water to the City.
- d. The USDA/RD is preparing the mortgage document for the Sherman property and closing on the property is next week.
- e. No other items were introduced.

**4. Consider actions in support of operations:**

- a. Monthly Operator's Report. Notes:
  - Another Chlorine barrel has been purchased.
  - Since the first few days of August, the City of Lexington water wells are down for maintenance till August 12.
  - A google spreadsheet is available to report the chlorine readings throughout the system.
- b. Consumer Confidence Report required by ODEQ will be due by end of June.
- c. Annual Audit work has started as of the end of June. Richard Murnan met with the District's CPA, Michael Mettry in Oklahoma City on July 27, 2019. During the 4

hour meeting, copies of the District's financial records were reviewed and spreadsheets of the construction expenditures were shared.

Here is the list of items provided to the CPA:

- Our McClain Bank checking (normal checking account):
    - bank statements - one year of records (starting July 2018 through June 2019)
    - actual checkbook with check register going way back.
    - Quickbooks Online shows back to beginning.
  - Our McClain Bank Super-T account (normal savings account):
    - bank statements - one year of records (starting July 2018 through June 2019).
    - Quickbooks Online shows back to beginning.
  - Our McClain Bank Super-T account (exclusive account required by USDA/RD):
    - used for "Reserve Funds" which require our District make a set deposit each month (\$1,010.20 / month) until one year of funds have been accumulated equal to one year of USDA/RD principle and interest payments (which is roughly approx.\$120K). USDA/RD original budgeted \$41,900 in our construction loan/grant to start this account.
    - Quickbooks Online shows back to beginning.
  - Our First Fidelity Bank checking account:
    - bank statements - back to opening the account.
    - actual checkbook with check register going back to start of this account.
    - This checking account has been used exclusively for construction vendors and transfers of loan/grant funds from ORWB (Oklahoma Water Resources Board - \$150K) and all the USDA/RD funds received thus far. Commonly, checks are written directly to specific construction contractors or written to the District to reimburse for expenditures supporting the construction or startup of operations.
    - Quickbooks Online shows financial details back to beginning of the District.
- d. No other items were introduced.

Tammy Koehn requested the Board move to agenda item #13 to allow visitors an opportunity to address the Board. There were no objections from the Board. Upon completion of agenda item #13 the Board returned to agenda item #5.

**5. Consider request for expenditure (including vendor pay applications and/or change orders plus ratification of routine monthly invoices**

- a. Motion was made by Gary Koehn and seconded by David Standridge to ratify paid Routine Monthly Invoices listed in Attachment #1. The roll call vote was unanimous in favor and the motion carried.
- b. Motion was made by Richard Murnan and seconded by Robert Grisham to ratify expenditure for Royce Hinkle for July work completed as an independent contractor. The roll call vote was unanimous in favor and the motion carried.
- c. Motion was made by Tammy Koehn and seconded by David Standridge to reimburse Robert Grisham for expenditure required to register and license the District's truck (\$57.00) and run an OSBI background check (\$15.00). Total amount is \$72.00. The roll call vote was unanimous in favor and the motion carried.
- d. Motion was made by Tammy Koehn and seconded by Gary Koehn to reimburse

Richard Murnan for expenditure made for 200 postcard stamps (\$70.00), postage for two parcels (\$2.70), batteries (\$67.25), and chlorine packets (\$123.10). Total amount is \$228.05. The roll call vote was unanimous in favor and the motion carried.

- e. Motion was made by Gary Koehn and seconded by David Standridge approve the annual Sequoyah Software support and update for \$500.00. The roll call vote was unanimous in favor and the motion carried.
- f. No other items were introduced.

**6. Review external interactions since the last regular Board Meeting**

- a. August 2, 2019: City of Lexington requested information on the chlorine complaints being made by the residence in Lexington. There continues to be a issue with air in the water, the System Operator has inspected five of the six air release valves located throughout the system. The sixth valve has yet to be located to the west of intersection of 96<sup>th</sup> and SH 39.
- b. August 7, 2019, An email was sent to Poe & Associates about our difficulty in finding the last air release valve.
- c. August 1, 2019, Meeting with ODWC personnel within the Lexington WMA, still evaluating the damages expenditure along with setting up the monthly raw water charge.
- d. Dennis Idlett has requested his meter be removed. A letter will be prepared to provide information on membership rights after the meter is removed.
- e. Richard Tarp returned the First United safe deposit key and the key was re-issued to Jeannie Salmon.
- f. No other items were introduced.

**7. Chairman's report**

- a. The issue with the damages on the Lexington Wildlife Management Area continues. Multiple conversation with USDA/RD on the impact to our remaining project funds. USDA/RD suggested we not take the ODWC's offer to pay out the damages over time. This could complicate any future business moves by having multiple groups the District might owe.
- b. The Chairman requested a motion to generate and provide our annual update of the Limited English Proficiency to the USDA/RD. Previous versions have been submitted in mid-September. A motion was made by Jeannie Salmon and seconded by Tammy Koehn to allow the Chairman to update the required document and submit to the USDA/RD. A voice vote of the Board was unanimous in favor.
- c. The Chairman requested the Board to consider having a notary available to the Board. Richard Tarp's notary was paid through December 28, 2019. The notary was in place for four years. The notary allowed the District to easily handle membership documents such as easements, transfer of memberships, and relinquishment of membership.

**8. Vice Chairman's report**

- a. The Vice Chairman reported that Mrs. Sherman called needing assistance with auto payment setup using the PSN system.
- b. An Employee Handbook is needed, and the Vice Chairman has started the effort.

**9. Secretary's report**

The Secretary reported several documents were submitted to the Record:

- a. July 2019 Pay Applications explanation sheet and RD-440 form submitted to USDA.
- b. July 22, 2019 letter from Claims Management Resources (CMR) Claims Department concerning damage from contractor construction along Box Road and 144<sup>th</sup> Street. Document was forwarded to Poe & Associates who in turn forwarded to M&T Septic and Backhoe. M&T was aware of the issue and was waiting on photos of the damage.

#### **10. Treasurer's report**

Previous checking - \$45,783.76	Current (8/31/2019) checking - \$48,700.36
Previous savings - \$13,207.93	Current savings - \$13,220.18
Previous Debit Service Reserve - \$13,330.51	Current Debit Service Reserve - \$46,887.72
Previous Construction Account - \$33,512.00	Current Construction Account - \$0.00

The first penalty for insufficient funds has happened with a monthly payment from one of the members. A fee of \$5.00 was charged by the McClain Bank. Membership payment agreements allow the District to charge \$20.00.

Motion to approve the Treasurer Report was made by Richard Murnan and seconded by Gary Koehn. The roll call vote was unanimous in favor and the motion carried.

#### **11. Consider date and place of next regular meeting**

The next meeting will be a delayed from the Regular meeting planned for September 12, 2019. A Special Meeting will be requested on September 19, 2019 at the Corbett Baptist Church

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

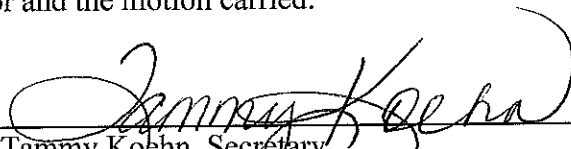
- Upon receipt the Consumer Confidence Report should be posted to the webpage.

#### **13. Public comments**

Visitors Jason Pruitt and Kenny Craft presented the Board with a request to extend the current service line along Flat Armadillo Road approximately 3/4<sup>th</sup> of a mile west along private easement on the south side of Flat Armadillo Road. Members Pat and Dean Thompson were also present.

#### **14. Adjourn**

The meeting was adjourned at 9:11 pm with a motion by Gary Koehn and seconded by Tammy Koehn. Vote was unanimous in favor and the motion carried.

  
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 Tammy Koehn, Secretary  
 Cleveland County Rural Water District #1

ATTACHMENT #1 - MONTHLY TREASURER'S REPORT FOR : Aug 2019 Meeting

<b>BALANCES (End of previous month)</b>	Previous	Current			Comments
McClain Regular Checking	\$45,783.76	\$48,700.36			
McClain Super T	\$13,207.93	\$13,220.18			
McClain Super T Reserve	\$13,330.51	\$46,887.72			Funds previously used to purchase truck were restored from USDA Contingency Funds. USDA Contingency Funds that reimbursed District for Sequoyah Software (\$4,850) also inserted into this account.
First Fidelity	\$33,512.00	\$0.00			

<b>BILLS PAID (Monthly)</b>		<b>TOTAL</b>	Check	Date	Comments
<b>CREDIT CARD (\$3000 limit)</b>		\$231.49	1204	7/2/2019	Final payment to Credit Card
Hughesnet	\$102.53				To be set up on Direct Withdraw from checking account
Cricket Phone	\$57.00				To be set up on Debit Card tied to checking
EiGi Page (website)	\$35.98				PSN interface with CCRWD1.COM
EiGi Page (website)	\$35.98				PSN interface with CCRWD1.ORG

<b>DEBIT Withdraw or DEBIT CARD</b>		\$102.53			
Hughesnet	\$102.53		1216	7/29/2019	Payment from checking.
Cricket Phone	\$0.00				Automatic payment tied to canceled District credit card that was canceled at the departure of card owner. 7/10/2019 payment of \$65.00 was reimbursed to Richard Murnan (see item below under "Other Payments Approved".

<b>OEC</b>		\$588.00	1215	7/29/2019	
Well 1	\$184.00				
Well 2	\$253.00				

Well 3	\$85.00			
Bldg	\$66.00			

American Waterworks	\$0.00			
B&H Core Drilling	\$0.00			
H&H Plumbing	\$1,466.00	1205	7/2/19	
H&H Plumbing	\$0.00			
H&T Store	\$134.80	1210	7/11/19	
Pearsons	\$28.17	1200	7/11/19	
Pioneer Supply	\$304.30	1212	7/11/19	
Pioneer Supply	\$478.84	1206	7/2/19	
UTS	\$3,393.00	1211	7/11/19	
Haynes Equipment	\$0.00			
Core & Main	\$0.00			
ERT Lab	\$25.00	1213	7/11/19	
Moore Printing	\$0.00			

**OTHER Payments  
Approved**

Richard Murnan	\$135.00	1208	7/11/19	200 Postcard stamps (\$70) and Cricket cell phone bill (\$65, discounted to \$57 once debit card established)
Royce Hinkle	\$60.13	1207	7/11/19	Well #3 fuses (\$27.21) from Locke Supply and bonded log book and mileage record book (\$32.92) from Office Depot.

**TOTAL Bills PD                    \$6,947.26**

**CONTRACTORS**

Royce Alan Hinkle (6/16 to 6/30/19)	\$1,250.00	1202	7/2/19	Payment for June 16-30, 2019 (\$2,500/30 days) x 18 days = \$1,500
Mileage (10 miles @ .58)	\$5.80	1203	7/2/19	
Royce Alan Hinkle	\$328.76	1214	7/11/19	Payment for June 12-15, 2019 (4 days)

**CONTRACTOR TOTAL            \$1,584.56**

**Monthly Expenditures        \$8,531.82**