

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

Thursday, July 11, 2019

The agenda for the meeting was posted at the meeting location on July 10, 2019 @ 9:10 am.

1. Call to order and roll call

The meeting was called to order by Chairman Richard Murnan at 7:02 pm. Board members present were Jeannie Salmon, Tammy Koehn, Robert Grisham, David Standridge, Gary Koehn and Richard Murnan. All Board Members were present.

2. Consider actions in support of construction

- a. 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 was tabled.
- b. A resolution to request available USDA/RD project Deferred Interest funds for the purpose of paying the first year of interest payments which are due on July 25, 2019. The amount was for \$79,553.75. A motion was made by Richard Murnan and seconded by Gary Koehn to approve the resolution. The roll call vote was unanimous in favor and all Board Members signed the resolution.
- c. The City of Lexington remote operation valve is operational.
- d. The land purchase for our office/shop is in progress with our attorney, Cheryl Clayton. The surveyor work has been completed and an abstract is being created reflecting the land purchase.
- e. No other items were introduced.

3. Consider actions in support of operations

- a. Monthly Operator's Report was provided by Royce Hinkle. Of interest was a new barrel of chlorine was purchased.
- b. No additional routine monthly invoices were introduced. The current list consists of:
 - B&H (boring service)
 - System Operator contractor's monthly payments (Richard Tarp and Royce Hinkle)
 - System Operator contractor's mileage (personal vehicles used for District business)
 - Cricket cell phone bill
 - Hughes Net for internet access
 - District's credit card (\$1,000 limit has been moved to a \$3,000 limit)
 - H&T Store (Gasoline for District truck)
 - H&H Mechanical (setting meters, boring roadways)
 - Pearson's Lumber (misc. material)
 - America Water Works (fittings, piping, tubing)
 - UTS (meter and setter parts)
 - Haynes equipment (chlorination supplies)

- ERT Lab located in Ada (testing water samples, Bac-T, etc.)
 - Core & Main (meter and setter parts)
 - Pioneer (water supplies)
 - Moore printing (postcard paper stock)
- c. Robert Grisham will register and tag the District truck. A copy of O.S. Title 68 Section 2903 which explains how District vehicles along with real and personal property is to be handled. The O.S. Title 68 Section 2903 is listed on the District's website FAQ.
 - d. Work to establish a FUELMAN credit card is on hold until the District's vehicle is tagged. We will use the tag number to identify the vehicle.
 - e. Payment Services Network (PSN) is the company that will provide options for customer payments and as of June 3, 2019 we were notified the PSN account is ready to receive and process payments. Reconciliation of the customer deposit so that it is reflected in the Sequoyah software as a payment has been worked through.
 - f. PSN provided a security notice about a possible fraud filter set for our bank account which prevents withdrawals except as authorized. PSN added another banking institution, Silicon Valley Bank. This bank will be handling depositing funds on behalf of PSN plus handle chargebacks, refunds, and disputes from our depository account as is currently being performed.
 - g. Consumer Confidence Report required by ODEQ will be due by end of June. Is there action required by the Board?
 - h. Annual Audit work has started as of the end of June. Quickbooks Online has been in place to document our income and expenditures for use by our CPA.
 - i. Motion was made by Jeannie Salmon and seconded by Robert Grisham to approve the District's recovery of bank fees from payments made from member checking accounts with insufficient funds. McClain Bank charges a \$5.00 fee. The roll call vote was unanimous in favor. Payments made via PSN should not experience this problem.
 - j. The Board was asked to consider purchasing a 20' shipping container for creating controlled storage at the standpipe/control building location. Price on a one-trip 20' container delivered was \$3,975. Action was tabled to a later date.
 - k. No other items were introduced.

4. Consider requests for expenditure (including vendor pay applications and/or change orders plus ratification of routine monthly invoices).

- a. A motion to ratify paid routine monthly invoices listed in Attachment #1 was made by Richard Murnan and seconded By Gary Koehn. A roll call was done with all board members voting in favor.
- b. A motion to ratify payment (listed in Attachment #1) made to Royce Hinkle for June work completed as an independent contractor was made by Richard Murnan and seconded by Jeannie Salmon. A roll call was done with all board members voting in favor.
- c. A motion to ratify payment (listed in Attachment #1) made to Richard Tarp for June work completed as an independent contractor was made by Jeannie Salmon and seconded by Jeannie Salmon. A roll call was done with all board members voting in favor.

- d. A motion to ratify payment (listed in Attachment #1) made to Richard Tarp for mileage was made by Gary Koehn and seconded by David Standridge. A roll call was done with all board members voting in favor.
- e. A motion to ratify payment (listed in Attachment #1) made to Royce Hinkle for mileage was made by Gary Koehn and seconded by David Standridge. A roll call was done with all board members voting in favor.
- f. A motion to reimburse Royce Hinkle for expenditure made at Locke Supply (Well #3 electrical fuses - \$27.21) and Office Depot (bounded log book and mileage record book – \$32.92) was made by Richard Murnan and seconded by Gary Koehn.. A roll call was done with all board members voting in favor.
- g. A motion to approve payment to MaxBax Land Surveying for \$1,125.00 was made by Richard Murnan and seconded by Gary Koehn. A roll call was done with all board members voting in favor.
- h. Motion was made by Gary Koehn and seconded by Tammy Koehn to reimburse Richard Murnan for expenditure made for 200 postcard stamps (\$0.35 each) and payment made for the Cricket cell phone when the credit card payment was denied. Amount is \$135.00. A roll call was done with all board members voting in favor.
- i. No other items were introduced.

5. Review external interactions since last regular Board meeting.

- a. June 27, 2019: City of Lexington requested information about the water quality, specifically the abundance of air in the water being delivered.
- b. June 27, 2019 – July 10, 2019: An email was sent to Poe & Associates for information on the air in our water. Suggestions pointed to our air release valve possibly being closed.
- c. July 8 – 11, 2019: Multiple conversations with ODWC personnel, still evaluating the damages expenditure along with setting up the monthly raw water charge.
- d. July 11, 2019: Richard Murnan phone conversation with JD Strong, Director of the ODWC. We discussed the recent July 8 news that there was no room on the original estimate to come off of the \$53,968 damage amount but they could offer to let us pay it over time. The damage document is heavily weighted to the oil and gas industry and not to a community non-profit RWD. He was going to get back with Kristen Gillman and see if there is something else that can be done.

6. Accept minutes of past meetings

No minutes were available for the April 25, 2019 Special Board Meeting.

A motion to accept the minutes of the June 13, 2019 Regular Meeting was made by Richard Murnan and seconded by David Standridge. No changes were needed to the minutes. Voice vote was unanimous in favor and the motion carried.

7. Chairman's Report

- a. The issue with the damages on the Lexington Wildlife Management Area continues.
- b. Richard Tarp resigned on June 14, 2019 from his secondary system operator position.
- c. With the resignation of Richard Tarp, we now do not have a notary available to the Board. Richard 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. Copies of an employee handbook have been circulated to the Board for their review. The District will need to adopt an employee handbook once we transition from an independent contractor to hiring employees.

9. Secretary's Report

The Secretary reported several documents were submitted to the Record:

- a. Mack Williams located at 15600 78th Street complete membership documents:
 - o IHS letter explaining costs.
 - o New Membership document
 - o Payment policy
 - o Service agreement
 - o Quit Claim Deed
 - o Utility Easement
 - o Hydraulic Study
- b. Sequoyah software contract signed on June 18, 2019 for \$3,050 to include General Ledger, Accounts Payable, and Payroll. Action approved during June 13, 2019 Board meeting.
- c. June 13, 2019 inventory of equipment.
- d. June 2019 Pay Applications explanation sheet submitted to USDA.
- e. EST – Utility Notice of future work on 156th located north of our area.

10. Treasurer's Report

The Treasurer provided, prior to the meeting, a summarized financial statement (Attachment #1) reported the current funds as of the last day of June 2019 in the amounts of \$13,195.82 in the Super T account and \$42,490.78 in the District's checking account. The "Reserve" Super T account has current funds of \$13,330.51. The USDA/RD construction checking account with First Fidelity Bank reported the current balance as of the last day of June 2019 was \$33,512.00.

Establishment of a Debit Card tied to the District's checking account would provide capability to pay the System Operator phone bill through the Cricket cell phone service.

A motion to approve the Treasurer report was made by Richard Murnan and seconded by Robert Grisham. A roll call was done and the roll call vote to approve was unanimous.

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 August 8, 2019 at Corbett Baptist Church.

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

- ODWC damage payment.
- Consumer Confidence Report (post on web page)
- Shipping container (tabled)
- McClain Bank debit card to handle Cricket cell phone payment

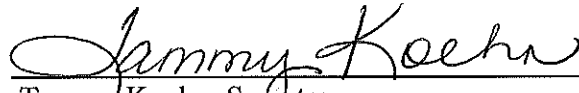
- Sequoyah software set up to handle insufficient funds bank fees.

13. Public comments:

Richard Grotte with Poe and Associates introduced himself and provided GIS files of the District. Jimmy Martin with ORWA was also present.

14. Adjourn

The meeting was adjourned at 9:47 pm with a motion by Gary Koehn and seconded by Tammy Koehn. Vote was unanimous in favor and the motion carried.



Tammy Koehn, Secretary
Cleveland County Rural Water District #1

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

BALANCES (End of previous month)	Previous	Current			Comments
McClain Regular Checking	42490.78	45783.76			
McClain Super T	13195.82	13207.93			Interest 12.11
McClain Super T Reserve	41956.41	13330.51			Interest 35.10 (1 transfer for truck)
First Fidelity	0	33512.00			
BILLS PAID (Monthly)		TOTAL	Check	Date	Comments
CREDIT CARD (\$3000 limit)		\$231.49			
Hughesnet	\$102.53				
Cricket Phone	\$57.00				
EIG Page (web site)	\$35.98				
EIG Page (web site)	\$35.98				
	\$0.00				
OEC		\$342.00	1195		
Well 1	\$105.00				
Well 2	\$104.00				
Well 3	\$65.00				
Bldg	\$68.00				
American Waterworks		\$1,012.20			
American Waterworks		\$70.00			
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	1209	7/11/19	
Pioneer Supply		\$478.84	1206	7/2/19	
Pioneer Supply		\$304.30	1212	7/11/19	chlorine
UTS		\$3,393.00	1211	7/11/19	\$3000.00 annual support, + INV 9087
Haynes Equipment		\$0.00			\$329.00, INV 7430 \$64.00
Core & Main		\$0.00			
ERT Lab		\$25.00	1213	7/11/19	Bac T
Moore Printing		\$341.37			
OTHER Payments Approved					
Richard Murnan		\$135.00	1208	7/11/19	70.00 stamps, 65.00 Cricket Phone
Royce Hinkle		\$60.13	1207	7/11/19	Office Depot 32.92 Locke 27.21
DEQ		\$46.00	1192	6/13/19	Yearly renewal of operator license (1 license)
DEQ		\$46.00	1196	6/24/19	
ORWA Assurance Grp Truck INS		\$1,721.00	1200	6/24/19	
Carter Chevrolet		\$28,662.00	1201	6/24/19	
		TOTAL Bills PD			
		\$38,497.30			
CONTRACTORS					
Richard Tarp (6/ 1 to 6/12/19)		\$986.28	1198	6/24/19	(\$2,500/30 days) x 12 days = \$1,000
Mileage (458 miles @ .585)		\$265.64	1199	6/24/19	mileage correction from .58 to .585
Royce Allen Hinkle (6/1 to 6/12/19)		\$1,250.00	1202	7/2/19	
Mileage (10 x miles @ .585)		\$5.80	1203	7/2/19	mileage correction from .58 to .585
Royce A. Hinkle 4 days (June 12,13,14,15 2019)		\$328.76	1214	7/11/19	
		\$2,836.48			