



City of Enid
401 W. Owen K. Garriott Road
Enid, Oklahoma 73701
580-234-0400

KAW Lake Funding Oversight Committee

NOTICE OF SPECIAL MEETING

Notice is hereby given that the Enid KAW Lake Funding Oversight Committee will meet in special session at 12:00 p.m. on the 21st day of September, 2017, in the Lower Level Conference Room in the basement of the City Administration Building, located at 401 W. Owen K. Garriott Road, Enid, Oklahoma, and the agenda for said meeting is as follows:

- AGENDA -

KAW LAKE FUNDING OVERSIGHT COMMITTEE

1. **CALL TO ORDER/ROLL CALL.**
2. **CONSIDER APPROVAL OF MINUTES OF THE RESCHEDULED REGULAR MEETING OF THE KAW LAKE FUNDING OVERSIGHT COMMITTEE OF JUNE 29, 2017.**
3. **UPDATE ON KAW LAKE PROGRAM.**
4. **UPDATE ON KAW LAKE SALES TAX RECEIPTS & EXPENDITURES.**
5. **PUBLIC COMMENTS.**
6. **ADJOURN.**

KAW Lake Advisory Board

2.

Meeting Date: 09/14/2017

SUBJECT:

CONSIDER APPROVAL OF MINUTES OF THE RESCHEDULED REGULAR MEETING OF THE KAW LAKE FUNDING OVERSIGHT COMMITTEE OF JUNE 29, 2017.

Attachments

Minutes

**MINUTES OF RESCHEDULED REGULAR
KAW LAKE FUNDING OVERSIGHT COMMITTEE
CITY OF ENID, OKLAHOMA
HELD ON THE 29TH DAY OF JUNE 2017**

The Kaw Lake Funding Oversight Committee of the City of Enid, Oklahoma, met in rescheduled regular session in the Lower Level Conference Room of the Administration Building of the City of Enid, located at 401 West Owen K. Garriott Road in said city, at 5:30 P.M. on the 29th day of June 2017, pursuant to notice given ten (10) days in advance to the Clerk of the City of Enid, and pursuant to notice thereof displayed at the entrance to the Administration Building in said city, in prominent view and which notice was posted prior to 5:30 P.M. on the 28th day of June 2017.

Chairman Waddell called the meeting to order.

The roll was called with the following members present and absent:

PRESENT: Members Wade Patterson, Jason Turnbow, Frank Baker, Mike Barnthouse, Dan Randall and Commissioner Jonathan Waddell.

ABSENT: Member Alan Clepper.

It was noted that Member Jeff Abbott would be moving out of town, and would not be able to continue his membership on the Committee.

Others present were Mayor Bill Shewey, City Manager Jerald Gilbert, City Clerk Alissa Lack, and Chief Financial Officer Erin Crawford.

Committee members and City staff briefly introduced themselves, and members stated which Ward they were representing.

Commissioner Waddell thanked everyone for coming, and noted the importance of the Committee.

City Manager Jerald Gilbert spoke regarding the election of Committee officers, and members were provided a copy of the Resolution establishing the Kaw Lake Funding Oversight Committee. He

also provided a brief history of the process that the City had followed regarding a long-term water supply, going back to 2010, and noted the options that had been studied, as well as challenges involved. He then provided a brief overview regarding the steps involved to arrive at the Kaw Lake Water Project.

Mr. Gilbert briefly reviewed the Resolution, and explained the purpose and responsibility of the Funding Committee and why it was created. He also provided a brief explanation regarding how the collection of sales tax affected the process, and noted the accountability for use of funds and that the sales tax designated for the Kaw Lake Water Project would only be used for that project.

Regarding the election of officers, Mr. Gilbert explained that the Committee would elect a Chairperson and Vice-Chairperson.

Chairman Waddell asked if anyone had a nomination, or if anyone was interested in being considered as Chairperson.

Motion was made by Member Frank Baker to elect Member Wade Patterson as Chairman of the Committee.

Motion was seconded by Member Dan Randall, and the vote was as follows:

AYE: Members Wade Patterson, Jason Turnbow, Frank Baker, Mike Barnthouse, Dan Randall
and Commissioner Waddell.

NAY: None.

Member Mike Barnthouse made a motion to elect Member Dan Randall as Vice-Chairman of the Committee.

Motion was seconded by Commissioner Waddell, and the vote was as follows:

AYE: Members Wade Patterson, Jason Turnbow, Frank Baker, Mike Barnthouse, Dan Randall
and Commissioner Waddell.

NAY: None.

Chief Financial Officer Erin Crawford provided an update on Kaw Lake Sales Tax Received.

The first item covered was an outline of what had been received from collection of the three-quarter per cent sales tax, and noted that these funds were held in a separate bank account. The interest earned on that account was also accounted for, so that it would accumulate and be used toward the project.

The next item covered was the expenditures. Out of the funds received, Ms. Crawford explained that there was a loan that had been taken out, and one interest payment on this loan had been accounted for, and was the only funds that had been withdrawn from that bank account.

She explained that in Phase One, a little over a million dollars was spent, to produce a ten percent engineering plan, resulting in a \$360 million estimated project cost.

Ms. Crawford noted that the project was going into Phase Two of engineering, which will get it to the thirty percent plan. In Phase Two, they would be looking at a lot of aspects of the program, such as the intake structure, distribution system, water treatment plant, environmental issues that might come up along the way, and program management. All of these things together come up to an approximately \$14.1 million contract with Garver for Phase Two. This was funded up front with a loan with the Oklahoma Water Resources Board (OWRB). They issued bonds in their name, and we have a loan that is repaid over a thirty year time period, and has variable interest rates. She noted that there was a principal and interest payment due every September for the next thirty years, and an interest only payment every March for the next thirty years.

An overview of the process was provided by Ms. Crawford. The funds were awarded up front from OWRB, they are held in trust at Bank of Oklahoma and only makes payment out of that account with the approval of OWRB. Garver completes the work, which is overseen by the City of Enid's Engineering Department. When invoices are turned in for the work completed, the invoices will be reviewed by City engineering and accounting staff, the invoices are then reviewed by OWRB engineering and accounting staff, before submitting to Bank of Oklahoma for payment. If an expense is not in the plan, OWRB will not authorize payment.

To date, three invoices had been paid to Garver, in the amount of \$2.4 million for work done through April 28th. Another invoice had been turned in for May, but would not be processed until July.

It was noted the lowest interest rate percentage was 2.2%, and the highest was 5.2% throughout the life of the loan. The percentage would escalate, and then drop during certain periods. Because of the different length of bonds sold during that time period, the percentage varies.

A brief discussion was held regarding the bonds and rates.

Mr. Gilbert noted that this project, in Phase Two, was on track and was projected to reach thirty percent design plan by the end of the year. The refined cost estimate might be known by the end of the year, but might not be known until earlier in the spring. Staying on track, it was a 12-15 month total phase. Funding options of future phases will be determined by the City Council at a later date, under the advisement of our financial advisors. It was anticipated that there would be phasing in on the project to contain costs. All of this information would be forth-coming through Commission meetings and working with Garver. The effort was to be transparent and to do what was supposed to be done with the money.

Mayor Shewey noted that the original estimate was around \$480 million, but had been reduced down to around \$361 million, after meetings with Garver. He also provided a brief explanation regarding facts that influenced the decision to use Kaw Lake.

It was noted that all of the briefs and updates on the project were available on the City of Enid website to make it more accessible.

A brief discussion was held regarding the reasons behind the reduction in costs.

Mr. Gilbert provided a brief overview of expenditures, and explained that the biggest cost was the seventy miles of pipeline, at around \$121-122 million. The next biggest cost was in the water treatment plant, at \$66 million. He expected that the pipeline should be a fairly accurate cost, and should not be a component of the project that would be phased.

He also spoke regarding Terminal Storage Reservoir (TSR), which was the short-term water storage site. This would be located where the conventional water treatment plant was. Another item

discussed was regarding an emergency TSR, which would be approximately 60 acres in size, and the opportunity for recreation, due to the size of said TSR. This location had not been completely determined.

The further the project gets, and the further it is refined, the less contingency there would be.

A brief discussion was held regarding the sales tax receipts and the percentages involved.

It was noted that there were two meetings already scheduled on September 14, 2017 at noon and December 14, 2017 at noon, to be held in the Lower Level Conference Room of the City of Enid Administration Building, located at 401 West Owen K. Garriott Road, Enid, Oklahoma.

Motion was made by Member Frank Baker and seconded by Member Wade Patterson to accept the meeting dates as scheduled, and the vote was as follows:

AYE: Members Wade Patterson, Jason Turnbow, Frank Baker, Mike Barnthouse, Dan Randall
and Commissioner Waddell.

NAY: None.

There being no further business, motion was made by Member Frank Baker and seconded by Member Mike Barnthouse that the meeting adjourn, and the vote was as follows:

AYE: Members Wade Patterson, Jason Turnbow, Frank Baker, Mike Barnthouse, Dan Randall
and Commissioner Waddell.

NAY: None.

The meeting adjourned at 6:20 P.M.