

NOTICE: Agenda posted at Bethany City Hall, Warr Acres City Hall and the office of the Bethany/Warr Acres Public Works Authority, Friday, February 16, 2024, at or before 9:00 a.m.

MINUTES

SPECIAL CALLED MEETING
BETHANY/WARR ACRES PUBLIC WORKS AUTHORITY
BETHANY CITY HALL

TUESDAY
FEBRUARY 20, 2024
9:00 A.M.

This meeting was given in accordance with applicable State Statues. Chairman Lloyd called the meeting to order at 9:00 a.m.

ROLL CALL

Present

Chairman Lloyd
Vice-Chairman Elizabeth Gray
Vice-Secretary Roger Godwin

Absent

Secretary Pamela Ramirez

STAFF PRESENT

Jason Horton, General Manager
Sean Fairbairn, Trust Engineer
Johnny Blassingame, Trust Attorney

OTHERS PRESENT

Lesa LaMar, Deputy City Clerk
John Wolfe, Municipal Finance
Michael Taylor, Cowan Engineering
Steve Manek, Teim Engineering
Mark Long, SRB Engineering

2. DISCUSSION AND CONSIDERATION OF POSSIBLE APPROVAL AND ADOPTION OF COWAN ENGINEERING GROUP'S FINAL ENGINEERING REPORT FOR THE BLUFF CREEK WASTEWATER TREATMENT PLANT DATED FEBRUARY 13, 2024, AND SELECTION OF ALTERNATIVE PLANS FOR IMPROVEMENTS DISCUSSED THEREIN.

Sean Fairbairn with Cowan Engineering gave a brief overview of the scope of services for the project and the existing condition of the facility. He also updated the board on the current status of the plant and an update on the 5-million-dollar loan.

The scope of services was to go into the plant and collect all the data existing along with drawings. We did a condition assessment of every structure throughout the plant.

We toured the plant determining what is working and reviewing the equipment. We looked at the hydraulics of the plant. When the plant is in operation, is it operating efficiently.

There were 3 alternatives presented along with the cost for each one on the plant. This report is included as Exhibit A.

Chairman Lloyd questioned what the cost would be to have a conversation with OKC about joining with them to process the city's sewer.

Engineer Fairbairn explained how there would have to be a study done on the cost for OKC to expand their Deer Creek plant to accommodate our flow and they could still reject the expansion. The cost of that study would be approximately \$200,000.00. We would also have to construct just under a mile of 36" interceptor down to Deer Creek to connect to their headworks. He also understands that we would still need to operate the equalization basins to divert the high peaking flow that cannot go to the plant and then it would be pumped back into the system. We would also have to maintain the plant until OKC could make their improvements to take on our processing. OKC cannot handle our wastewater currently. We do not know what the agreement cost to treat the water would be. We will be paying a per 1000-gallon rate.

Engineer Fairbairn reported that the plant is scheduled to have 3 working SBR's by the end of February. The filters will be in operation mid to late April. Once the filters are in operation, we should be meeting the permit requirements. The status of the current 5-million-dollar loan to date as far as what has been paid out is about 1.2 million. We expect to spend an additional 1.8 million. 777,000.00 to project for FY 2025. We will be adding 1.3 million back into contingency which could be used to move some of the items from Phase 2 up. We are looking at finishing some of the labor left for the SBR's, getting the filters in operation. Some work on the flow equalization basins and some work on the sludge processing. 95 to 100% of this will be able to be incorporated into the overall project. Cowan Engineering will be tracking and approving these improvements and equipment before any expenditures are processed. This is to make sure that we are staying within the plan that is approved today.

Cowan Engineering's recommendation is to move forward with Alternate 1, which provides for the improvements to meet the DEQ standards. These improvements have an estimated useful life of 29 years, and it is the most feasible option that stays within the project budget of 30 million. The 30 million is for phase 1. Cowan Engineering would design both Phase 1 and Phase 2. We would bid out Phase 1 with Phase 2 as add alternates. If there was good pricing with Phase 1 base bid, then you could decide whether to accept the add alternates if they are within the budget.

A plan of action would be the approval of the recommendation presented today. We would submit this engineering report to ODEQ to meet the requirements of the consent order and then move forward with the design of Phase 1 and Phase 2 and get those submitted to ODEQ for approval of those improvements in March so that roughly one year

from now and obtaining a permit for approval of those plans to move into construction. Start of construction would be September 4, 2025. The construction project would take a year and a half to two years to complete the improvements. ODEQ would require the Authority to operate the plant for roughly six months before we can officially obtain compliance with the improvements.

Engineer Fairbairn answered questions from the board. Some of his answers were as follows: Yes, Alternate 1, Phase 1 will bring the plant into compliance. We do have to upgrade the plant even if we move to OKC and we would have to maintain the plant for approximately 6 to 7 years. We would like to move forward with Alternate 1 Phase 2 within two to three years.

John Wolfe, with Municipal Finance answered the question from Vice-Chairman Gray on whether rates would need to be raised for Phase 2. He expressed that raising rates would depend on revenue at that time.

We currently have built in the rate increase of CPI or 5%, whichever is greater. Finance Director Michael Vaughn stated that this yearly increase would only cover the cost of operating not extra income for debt service.

Vice-Secretary Godwin asked and received confirmation that if we went to OKC we would be paying for everything over a long period of time and have no benefit and lose control over our system.

Attorney Blassingame asked the question, why is the decommissioning of the plant so expensive? Engineer Fairbairn answered that the majority of the cost is the expansion of the Deer Creek facility to take on our flow.

Chairman Lloyd asked and received confirmation that the cost to move to OKC would be 3 to 5 times the cost to residents and the residents will not receive the same type of services.

A motion was made by Vice-Chairman Gray, seconded by Vice-Secretary Godwin to adopt Cowan Engineering Group's final Engineering Report for the Bluff Creek Wastewater Treatment Plant dated February 13, 2024, and select Alternate 1, Phase 1. Yea's: Lloyd, Gray, Godwin. Motion approved.

3. CONSIDERATION, DISCUSSION, AND POSSIBLE APPROVAL OF A RESOLUTION OF THE BETHANY-WARR ACRES PUBLIC WORKS AUTHORITY (THE "BORROWER") AUTHORIZING A LOAN FROM THE OKLAHOMA WATER RESOURCES BOARD IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$30,000,000.00; APPROVING THE ISSUANCE OF A PROMISSORY NOTE TO OKLAHOMA WATER RESOURCES BOARD IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$30,000,000.00, SECURED BY A PLEDGE OF

REVENUES AND AUTHORIZING ITS EXECUTION; DESIGNATING A LOCAL TRUSTEE; APPROVING AND AUTHORIZING THE EXECUTION OF A TRUST AGREEMENT; APPROVING AND AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT; APPROVING AND AUTHORIZING THE EXECUTION OF A SECURITY AGREEMENT; APPROVING AND AUTHORIZING A NOTE PURCHASE AGREEMENT; APPROVING VARIOUS COVENANTS; APPROVING AND AUTHORIZING APPLICATION TO THE OKLAHOMA WATER RESOURCES BOARD; APPROVING AND AUTHORIZING CERTAIN MUNICIPAL AGREEMENTS; APPROVING AND AUTHORIZING PROFESSIONAL SERVICES AGREEMENTS; APPROVING AND AUTHORIZING PAYMENT OF FEES AND EXPENSES; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

A motion was made by Vice-Secretary Godwin, seconded by Vice-Chairman Gray to approve agenda item no. 3 on the agenda. Yea's: Godwin, Lloyd, Gray. Motion approved.

4. DISCUSSION, CONSIDERATION, AND POSSIBLE APPROVAL OF RESOLUTION FOR AMENDMENT OF THE AUTHORITY'S FISCAL YEAR 2024 BUDGET (BA# 24-03) TO APPROPRIATE DEBT SERVICE PAYMENT DUE APRIL 1, 2024, FOR PREVIOUSLY APPROVED F&M BANK LOAN.

A motion was made by Vice-Chairman Gray, seconded by Vice-Secretary Godwin to approve item no. 4 on the agenda. Yea's: Lloyd, Godwin, Gray. Motion approved.

5. PROPOSED EXECUTIVE SESSION — PURSUANT TO 25 OKLA. STAT. § 307(B)(4) — FOR CONFIDENTIAL COMMUNICATION BETWEEN TRUSTEES AND THE TRUST ATTORNEY CONCERNING POTENTIAL CLAIMS AND LITIGATION AUTHORITY — UNDER ADVICE OF TRUST ATTORNEY THAT DISCLOSURE WILL SERIOUSLY IMPAIR THE ABILITY OF THE AUTHORITY TO PROCESS THE CLAIM OR CONDUCT THE POTENTIAL LITIGATION IN THE PUBLIC INTEREST.

A. ENTER EXECUTIVE SESSION

A motion was made by Vice-Secretary Godwin, seconded by Vice-Chairman Gray to enter executive session at 9:52 a.m.

B. EXIT EXECUTIVE SESSION

A motion was made by Vice-Secretary Godwin, seconded by Vice-Chairman Gray to exit executive session at 10:10

6. OLD OR NEW BUSINESS.

None

7. CALL TO THE PUBLIC.

None

Chairman Lloyd adjourned this meeting of the Bethany-Warr Acres Public Works Authority at 10:10 a.m. There were no objections.

Respectfully Submitted,

Roger Godwin
Vice-Secretary

A handwritten signature in black ink, appearing to be 'R. Godwin', written over the typed name and title.