

**MINUTES OF THE PUBLIC WORKS AUTHORITY MEETING, DECEMBER 18, 2012**

Minutes of the regular meeting of the Chairman and Trustees of the Clinton Public Works Authority of Clinton, Oklahoma, Custer County, held in the City Council Room, City Hall on Tuesday, December 18, 2012 at 5:30 P.M. A notice of this meeting with agenda was posted on the bulletin board in the lobby of Clinton City Hall on December 14, 2012.

Chairman Bryson called the meeting to order with the following present:

**CHAIRMAN:** Allen Bryson

**TRUSTEES:** Bob Marcy, Jason Hulin, Don Rodolph, Phyllis Smith

**CITY MANAGER:** Steve Hewitt

**CITY CLERK:** Lisa Anders

**CITY TREASURER:** Debra Blanchard

**DEPUTY CLERK:** Rhonda Williams

**CITY ATTORNEY:** Ryan Meacham

**NEWS MEDIA:** Gerald Green and Jarod Atha

**OTHERS:** Julie Menge, Stephen Jones, David Crabtree, Carrie Miller, Tracy Crawford, Patch McComas, Mike Taylor, Robert & Cindy Mayfield, Dale Conley, Shane McMasters, Howard Mc Cornack, Kris Wermy, Conan Wilson, Curtis Maloy, Zane Fletcher, Bob Smith, L.R. Sights, Debbie Bryson, Kelrena Smith, Russ Meacham, Seth Adams, Bobby Hoffman, Cheryl Lowry, Donna Snider, Donald Webb, Kyle Bloomer, Narci Smith and others.

Pat Peters of the Church of Christ opened the meeting with prayer and Trustee Phyllis Smith led the Pledge of Allegiance.

**AGENDA ITEM NO. 3: CONSENT AGENDA**

A. Minutes of the Regular Meeting of December 4, 2012

Moved by Trustee Marcy and seconded by Trustee Hulin, that Consent Agenda Item No. 3 (a) be approved.

Chairman put the motion to a roll call vote:

Aye: Marcy, Hulin, Smith, Rodolph, Bryson

Nay: None

Chairman declared the motion carried.

**AGENDA ITEM NO. 4. ACTION ITEMS**

**4A. DISCUSS AND CONSIDER MEMO OF UNDERSTANDING WITH THE TOWN OF CANUTE REGARDING POTENTIAL WATER SALES**

City Manager Steve Hewitt explained that an updated Memo of Understanding with the Town of Canute has been provided to the Authority. He said that Russ Meacham is servicing as the liaison

between the Town of Canute and the City of Clinton in hopes of hurdling some water issues. He said the City has been pursuing water wells in the area and it will take years for Foss to update their facility. He said the water from Canute and Foss would cover the needs for Clinton in a normal year.

He said the Memo of Understanding covers forty years. While still seeking other options, this would be a source of water for Clinton for forty years. He said the plan is for the completion of the facility in late summer or early fall of 2013.

Russ Meacham said that Canute has an understanding of the proposed plant and the cost of the facility. He said they do not need a lot of water and they could be a quick solution to Clinton which would ultimately aid Foss.

Trustee Marcy asked about the cost of the plant.

Russ Meacham said the new plant would cost approximately \$5.5 million and would be paid off in forty years to match the Memo of Understanding.

Trustee Marcy asked if there were a possibility for the City of Clinton to share in the cost of the plant.

Russ Meacham said the possibility could be reviewed but he did not anticipate that Clinton would be able to get a better interest rate than Canute. He said Canute must have a plan presented by January since grant funds are involved. He said Canute needs to know if Clinton is interested since this would affect the scale of the facility.

Trustee Rodolph asked how the rate of \$2.70 per thousand was determined.

Russ Meacham said that is the current rate that Clinton pays for Foss water. He said the rate Canute will be paying is around \$3.50 to \$3.60 per thousand. If they are in the project alone, their rate would be \$7.00 to \$8.00 per thousand. He said they are looking to utilize more volume.

Trustee Rodolph recommended looking at usage of found water and the possibility of Clinton building our own facility.

City Manager Steve Hewitt said it would be nice to control our own facility but timing is a driving issue. He said this plan could help our community quickly. He said the necessary reports to the Department of Environmental Quality and the Oklahoma Water Resource Board would take from forty-eight to sixty months. He said he preferred to go slowly and look at all options. He said with this plan the City would know that water would be available at the end of the summer. He said that industry needs water.

Trustee Rodolph asked if the Canute agreement is approved what would happen if Foss decides to spend money, is the City of Clinton obligated?

City Manager Steve Hewitt said Foss would talk with the City of Clinton, other members and engineers. He said their reports are based on Clinton taking 100% of water from Foss. He said Foss needs to look at discharge and redundancy issues. He said the City has a good relationship with the chairman of Foss. He said this plan would help Foss and eliminate some pressure.

Trustee Rodolph suggested at looking at cost to put in a new Clinton plant and to upgrade the current facility.

Trustee Hulin said he would like to see Clinton have a stake in addition to purchasing water from Canute. He would like to see partial ownership of water especially if Clinton is obligated for forty years.

Chairman Bryson said the money will be spent, it is just a matter of where.

Trustee Hulin said the first notification he had of this issue was Friday in the Council packet and since that time there have been changes.

Assistant City Attorney Ryan Meacham explained that the Memo of Understanding is designed with a payment ceiling. He said the City set a rate and there would be no fluctuation. He said that if Foss were to raise their rates, Clinton would have a source of water with Canute.

City Manager Steve Hewitt said the Memo of Understanding is not a contract. He compared it to a "verbal" agreement. He said the details would come out in a contract.

Russ Meacham said he felt this is a good deal and would benefit Clinton. He said Clinton is not the only community that needs water in western Oklahoma.

City Manager Steve Hewitt said the most recent plant is in Coweta and he said he is looking at the costs of the plant.

City Manager Steve Hewitt said with the water from Canute plus the water from Foss, this would cover the needs for Clinton.

Curtis Maloy said that Foss water depends on electric power. He said if the Canute plant were on a different power grid, this would be a good backup option.

Trustee Marcy asked if Canute would be buying more water rights.

Russ Meacham said Canute would be buying more water rights. He said they need the Memo of Understanding to finalize their plans for the size of plant needed.

Motion was made by Trustee Rodolph and seconded by Trustee Marcy to enter into the Memo of Understanding with Canute as prepared.

Chairman put the motion to a roll call vote:

Aye: Rodolph, Marcy, Smith, Hulin, Bryson

Nay: None

Chairman declared the motion carried.

**AGENDA ITEM NO .5: CITY MANAGER'S REPORT**

City Manager Steve Hewitt reported that Clinton is on the list of work for A.W. Pool. He said the contract with Kevin Nightengale has not been finalized. He said the water test results have not been received yet.

**AGENDA ITEM NO. 6: AUDIENCE PARTICIPATION**

None

**AGENDA ITEM NO. 7: ADJOURNMENT**

Moved by Trustee Marcy and seconded by Trustee Smith that the meeting adjourn.

Chairman put the motion to a roll call vote:

Aye: Marcy, Smith, Hulin, Rodolph, Bryson

Nay: None

Chairman declared the meeting adjourned at 6:25 pm.