MINUTES
LAWTON WATER AUTHORITY SPECIAL MEETING
MARCH 11, 2008 - 6:00 P.M.
WAYNE GILLEY CITY HALL COUNCIL CHAMBER

The meeting was called to order at 6:00 p.m. by Chairman, John P. Purcell, Jr. Notice of meeting and agenda were posted on the City Hall notice board as required by law.

ROLL CALL

PRESENT: James Hanna, Janice Drewry, Jay Burk, Robert Shanklin, Jeff Patton, Stanley Haywood, Randy Warren.

ABSENT. Bill Shoemate.

ALSO PRESENT: Larry Mitchell, City Manager; John Vincent, City Attorney; Traci Hushbeck, City Clerk, COL Robert Bridgford, Fort Sill Liaison.

CONSIDER APPROVAL OF MINUTES OF FEBRUARY 26, 2008.

MOVED by Hanna, SECOND by Warren to approve the Minutes of February 26, 2008. AYE: Hanna, Drewry, Burk, Shanklin, Patton, Haywood, Warren. NAY: None. MOTION CARRIED.

BUSINESS ITEMS:

1. Consider a resolution agreeing to file application with the Oklahoma Water Resources Board for the financial assistance through the Drinking Water SFR Loan Program and/or Financial Assistance Program, for the purpose of financing improvements to the authority's water system; and containing other provisions related thereto. Exhibits: Resolution No. 08-____.

Keith McDonald, Wells Nelson and Associates, stated this is the approval to make the application to the Oklahoma Water Resources Board (OWRB) for the portion of the project dealing with the water meters. In order to make application to the OWRB, the savings in interest costs will be sizeable. This project will run through their SRF program, which we have been financing projects through for the last several years. The interest rate will move with the market. As of today it is somewhere around 3% and they actually put their administrative basis points on there. The OWRB will analyze the application and then take it to their board for approval and then it will come back to the City Council prior to any finalization or any incurrence of debt.

MOVED by Haywood, SECOND by Drewry, to approve **Res. 08-02**. AYE: Drewry, Burk, Shanklin, Patton, Haywood, Warren, Hanna. NAY: None. MOTION CARRIED.

2. Consider awarding a surface lease for City property in the Southwest Quarter of Section 12, Township 4 North, Range 11 West, in the vicinity of Lake Ellsworth in Comanche County for the purpose of drilling an oil/gas well by Marathon Oil Company, and authorize the Chairman and Secretary to execute the lease document. Exhibits: Location Map; Lease is on file in the City Clerk's Office.

Vincent stated Marathon Oil Company has the lease hold interest in the minerals under this section. The City has no interest in this. Marathon Oil requested a one time payment of $5,000 to drill a well using our property as the well site. We countered at $3,000 per year and they agreed. They have furnished a $5 million general liability and pollution policy and a $25,000 bond. They will be required to come to the License and Permit Center to obtain a drilling permit. He stated we do own minerals in the next section.

MOVED by Warren, SECOND by Hanna, to approve a surface lease for City property in the Southwest Quarter of Section 12, Township 4 North, Range 11 West, in the vicinity of Lake Ellsworth in Comanche County for the purpose of drilling an oil/gas well by Marathon Oil Company, and authorize the Chairman and Secretary to execute the lease documents. AYE: Burk, Shanklin, Patton, Haywood, Warren, Hanna, Drewry. NAY: None. MOTION CARRIED.

There being no further business to consider, the meeting adjourned at 6:07 p.m. upon motion, second and roll call vote.

JOHN P. PURCELL, JR., CHAIRMAN

ATTEST:

TRACI HUSHBECK, SECRETARY