

MINUTES
LAWTON WATER AUTHORITY SPECIAL MEETING
JUNE 9, 2009 - 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: Bill Shoemate, James Hanna, Janice Drewry, Jay Burk, Robert Shanklin, Richard Zarle, Stanley Haywood, Doug Wells.

ABSENT. None.

ALSO PRESENT: Larry Mitchell, City Manager; Frank Jensen, City Attorney; Traci Hushbeck, City Clerk, COL Ray Lacey, Fort Sill Liaison.

CONSIDER APPROVAL OF MINUTES OF FEBRUARY 24, 2009.

MOVED by Drewry, SECOND by Shoemate to approve the Minutes of February 24, 2009.

AYE: Hanna, Drewry, Burk, Shanklin, Zarle, Haywood, Wells, Shoemate. NAY: None.

MOTION CARRIED.

BUSINESS ITEMS:

1. Consider a resolution agreeing to file application with the Oklahoma Water Resources Board for financial assistance through the Drinking Water SRF Loan program and/or financial assistance program for the purpose of financing the expansion and improvement of the Authority's water facilities; and containing other provisions related thereto. Exhibits: Resolution No. 09-____ and the Fiscal Year 2009 Drinking Water State Revolving Fund Project Priority List.

Rick Endicott, Finance Director, stated these items are companion items and they are associated with the concept of the American Reinvestment Recovery Act and the City's ability to potentially capture up to \$2 million in grant money and some low interest loan money. They are trying to meet a deadline with the Oklahoma Water Resources Board (OWRB).

Keith McDonald, Wells Nelson and Associates, stated this is a program that has come about in past four months dealing with the stimulus. The OWRB and the Oklahoma Department of Environmental Quality (ODEQ) are the administrators of these two programs. Under the Drinking Water SRF, these are projects that have basically been on the board and they have to have everything submitted by next week. The total amount of the application is \$6.2 million of which we will be able to qualify for a 30% grant. This is an opportunity to get grant funds for projects that are already scheduled. They want to max out those grant funds and the maximum grant you can get is \$2 million. There are enough projects in here to actually max that up. If \$6 million is the total project cost, they are hoping to get somewhere around \$1.8 million in grants.

Shoemate questioned the interest rate.

Mr. McDonald stated their loan program is around 3-3 ½ %. That is only for the amount of loan funds. The other portion would be grant funds which are free.

Mayor Purcell stated staff public works put together some programs that were shovel ready. The 30% is the stimulus money that came to the State of Oklahoma and they are using some of that as grants to go with the loans so that they can spread the money out among more projects.

Shanklin questioned how they would pay this back.

Endicott stated the funding level for the first item is through the 2008 CIP.

Mitchell stated these are projects we already had listed under the 2008 CIP.

Shanklin stated we are using money ahead of time. We are going to take this money and when the other becomes available, we will pay back 70%.

Mitchell stated we were also notified that the money we have been trying to receive from the Oklahoma Finance Authority through SB 751 was approved this session, so we will have that funding source available to also help repay this loan.

Zarle questioned if this was a fixed or floating rate.

Mr. McDonald stated this will be a fixed rate and it has been ranging around 3-3 ½ %

MOVED by Wells, SECOND by Haywood, to adopt **Resolution 09-02**. AYE: Drewry, Burk, Shanklin, Zarle, Haywood, Wells, Shoemate, Hanna. NAY: None. MOTION CARRIED.

2. Consider a resolution agreeing to file application with the Oklahoma Water Resources Board for financial assistance through the Clean Water SRF loan program and/or financial assistance program for the purpose of financing the expansion and improvement of the Authority's wastewater facilities; and containing other provision related thereto. Exhibits: Resolution No. 09-__ and the Fiscal Year 2010-2014 Clean water State Revolving Fund Project Priority List.

Endicott stated this item is a little different from the drinking water. He stated we want to submit three projects. The total on this one is \$12.2 million and out of that \$12.2 million, what we do not have funding for is the wastewater treatment improvement phase I, the \$6.7 million. We are trying to apply for both grants and if approved and we get it back, we are going to have to identify that funding level for that \$6.7 million. This one is a 20 % match. We are trying to maximize the amount of stimulus money available to us.

Shanklin stated this is allocated to the wastewater treatment plant.

Endicott stated the important point in this is that we are under a consent order, so it would behoove us to move in this direction and try to capture these dollars that otherwise would not be available to us.

Mayor Purcell stated even though we are not shovel ready they will move the time back because so many others will not be shovel ready by June 16th. We are shovel ready on the one we just passed.

Mr. McDonald stated all of these projects total \$12 million and grossing those projects help get us to max out on the 80/20. If the applications don't go in at this time we will not get anything.

Wells questioned if the first three projects were shovel ready and just the fourth one is not.

Mr. McDonald stated the first three are shovel ready.

Mayor Purcell stated \$5.4 million is shovel ready. If we just went in with those we would not get the full \$2 million.

MOVED by Wells, SECOND by Haywood, to adopt **Resolution 09-03**. AYE: Burk, Shanklin, Zarle, Haywood, Wells, Shoemate, Hanna, Drewry. NAY: None. MOTION CARRIED.

There being no further business to consider, the meeting adjourned at 6:14 p.m. upon motion, second and roll call vote.

JOHN P. PURCELL, JR., CHAIRMAN

ATTEST:

TRACI HUSHBECK, SECRETARY